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ABSTRACT

The hotel and catering industry in the United Kingdom is estimated to have employed 2,392,000 people in 1990--about 9 percent of the total work force in employment in the country. These figures came from a major study into the skills needs of the hotel and catering industry in relation to the current provision of vocational education. Data are based on a nationwide survey carried out in early 1991 of the industry and the educational establishment that serves it, together with a literature search and quantitative and statistical analysis. Employment growth of 5 percent is forecast for the commercial sectors from 1990-95 and just under 2 percent in the catering services sector. Employers will be looking for an average of over 3,000 skilled, supervisory, and managerial staff per week. College output is likely to provide only 28 percent of the annual replacement needs for all skilled personnel in the industry. The industry is better qualified than it was 5 years ago, but remains underqualified by comparison with the rest of the economy. Employers show a clear and continuing commitment to training and development of existing staff. Education providers are providing management-level programs and supervisory skills. Employers are not satisfied with the quality of their staff. The more qualifications staff had, the more their managers were satisfied with them. Colleges offer many more places, but demand has grown rapidly, too. (Thirty tables and 28 figures are provided.) (YLB)

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Meeting competence needs in the **hotel and catering** industry now and in *the future*

RESEARCH *Report*

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Meeting competence needs in the **hotel and catering** industry - now and in *the future*

RESEARCH

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PREFACE

1992 will, we all hope, see the beginning of the end of the recession. But, as one major problem for the hospitality industry goes away, another will take its place. Renewed growth will increase the industry's demand for staff at all levels. To the extent that we succeed in reducing staff turnover and increasing productivity (and the new system of National and Scottish Vocational Qualifications should help industry generally to do that) the recruitment task will be eased, but it remains a formidable challenge.

The HCTC Trustees therefore commissioned MMD (Measurement for Management Decisions) Ltd to look in detail, with the Company's own staff, at the industry's future skills needs and to consider how best they might be met. The result is this report: *Meeting Competence Needs in the Hotel and Catering Industry: Now and in the Future*. It is designed to promote discussion within the industry generally and particularly among those involved in educating and training the workforce. It is also designed to stimulate action. Positive steps need to be taken now to see that the hospitality industry does not lose out in what is certain to be a highly competitive labour market. There will be better ways of marking the end of the recession than turning away business for want of staff!

Roy Ackerman
Chairman of Trustees
Hotel and Catering Training Company

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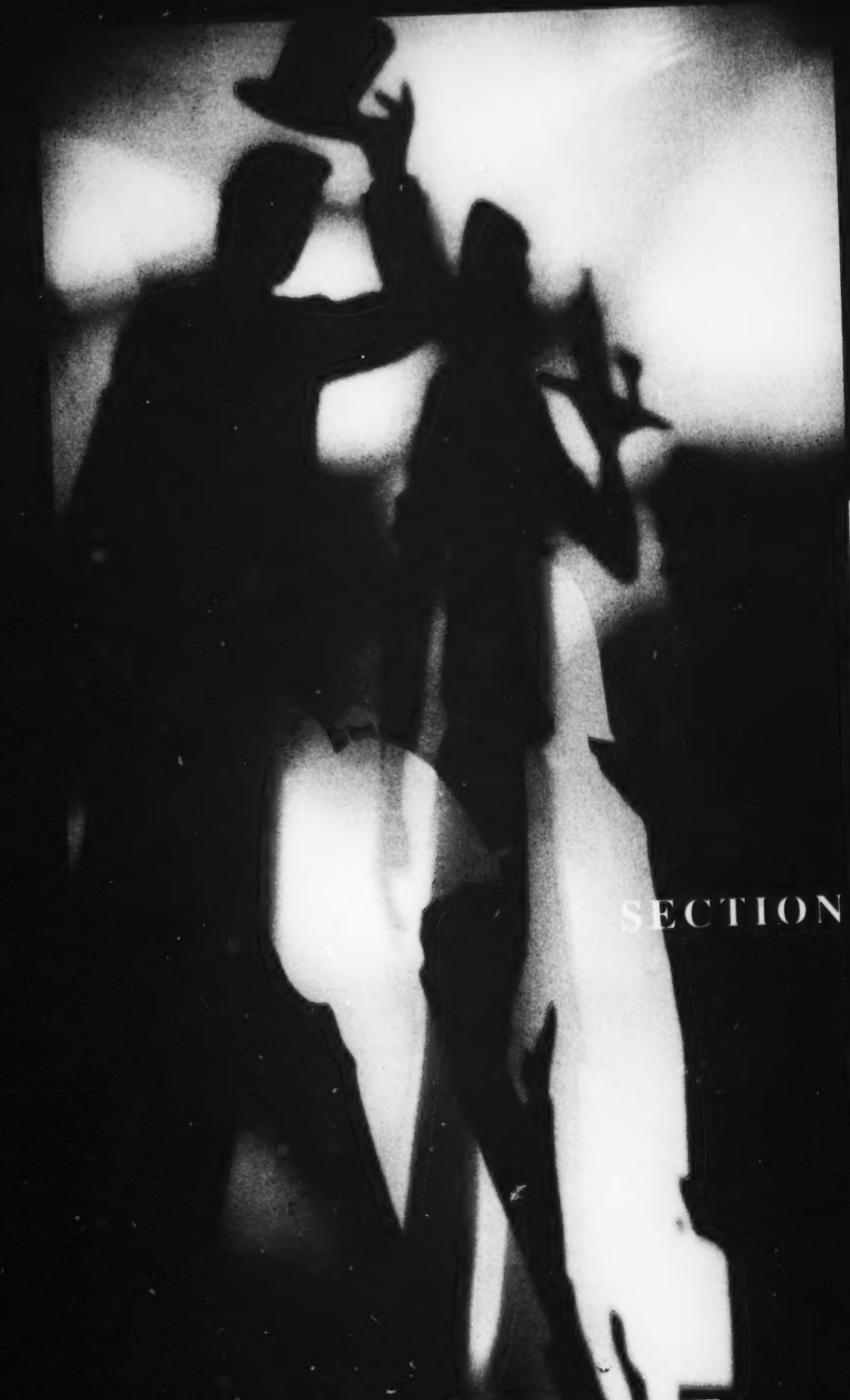

Introduction, overview & recommend-ations

SECTION *One*

HOTEL & CATERING TRAINING COMPANY

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INTRODUCTION

This report gives the results of a major study into the skills needs of the hotel and catering industry in relation to the current provision of vocational training and education, and the ways in which both the needs and the provision are likely to change in the future.

It is based on a nationwide survey carried out in the early months of 1991 of the industry and the educational establishment which serves it, together with desk research and quantitative and statistical analysis.

In this way, the report makes an important contribution to the planning and implementation of the industry's training and employment strategies, needed to ensure that competent staff are available both now and in the future. This will then contribute to the quality of service provided and the success of organisations within the industry. In addition, the results of the project can contribute to cementing the relationship between industry and education.

Background to the report

The report was written in the depths of a major recession in the British economy. International business travel and tourism were particularly hard hit by the Gulf war, and the subsequent slowdown in the international economy. Individuals and companies have had less to spend on non-essentials.

For the hotel and catering industry this has been a sharp contrast to the headlong growth of the 1980s. Nevertheless, the industry remains very large, with good prospects over the coming five years and beyond.

The current period of consolidation provides a prime opportunity to look at the state of skills and training in the industry, and to consider what should be done for the industry to take the fullest possible advantage of the upturn in the economy.

While growth is not expected to be as rapid as in the 1980s, the industry could still face difficulties as a result of:

- a more difficult recruitment market
- the small pool of qualified employees it has to draw upon
- major developments taking place nationally in training policy and provision, and in the funding arrangements which support it.

New initiatives abound. The May 1991 White Papers *Education and Training for the 21st Century*, and *Access and Opportunity: a Strategy for Education and Training* lent further impetus to the movement towards work-based qualifications which are widely recognised and used, and towards easing the transition from a variety of lower-level qualifications to higher education. In the hotel and catering industry and licensed trade, a number of different bodies are working to develop, singly or jointly, National and Scottish Vocational Qualifications (NVQs and SVQs) at different levels to meet the needs of the industry and the individuals working in it.

HCTC as lead body has responsibility for the development of NVQs and SVQs, working with all the parties involved in the provision and implementation of education and training in the industry. This involves identifying the competences to be covered and seeking ways of registering their attainment which suit the industry and which could be validated effectively, so as to promote the credibility of the qualifications offered. Equally important is the lead body's task of keeping the qualification structure up-to-date with industry's requirements.

All the key players — CBI, TUC, the various political parties, as well as the industry's professional and trade associations — are committed to major changes in the system of vocational education and training in the country generally, and in the hotel and catering industry specifically.

OVERVIEW

Hotel and catering employment

The hotel and catering industry is estimated to have employed 2,392,000 people in 1990, up 4% on 1987 levels. That is roughly the same number as retail distribution or financial services, half the number employed in manufacturing, twice the number employed in construction, and about 9% of the total workforce in employment in the UK.

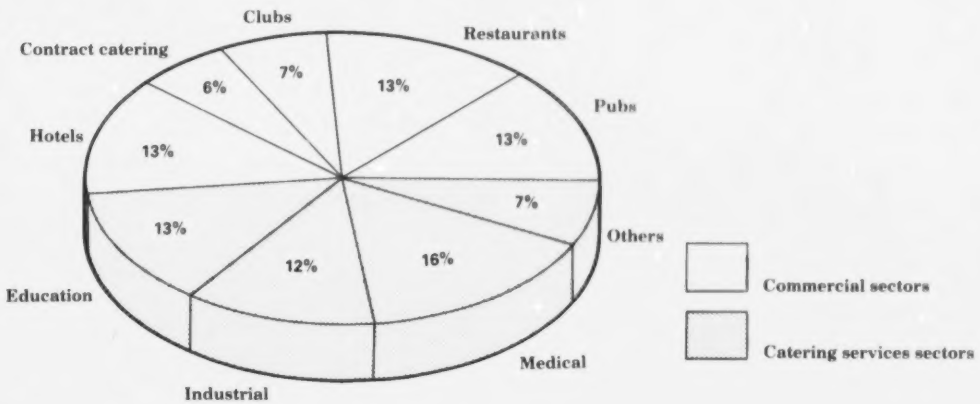
Out of total hotel and catering employment (Figure 1), just over half (53%) is in the **commercial sectors** of the industry, the balance providing **catering services** in other sectors where catering is not the primary function.

Employment growth of 5% is forecast for the commercial sectors (including contract catering) over the five years 1990–95, and just under 2% in the catering services sectors.

The expansion in the workforce is likely to continue through to the end of the decade (though increases in productivity could do much to moderate it). This will result in an additional 70,000 jobs through to 1995; 56,000 in the commercial sectors, and 14,000 in the catering services sectors — an average of 14,000 a year — and a further 92,000 new jobs by 1999.

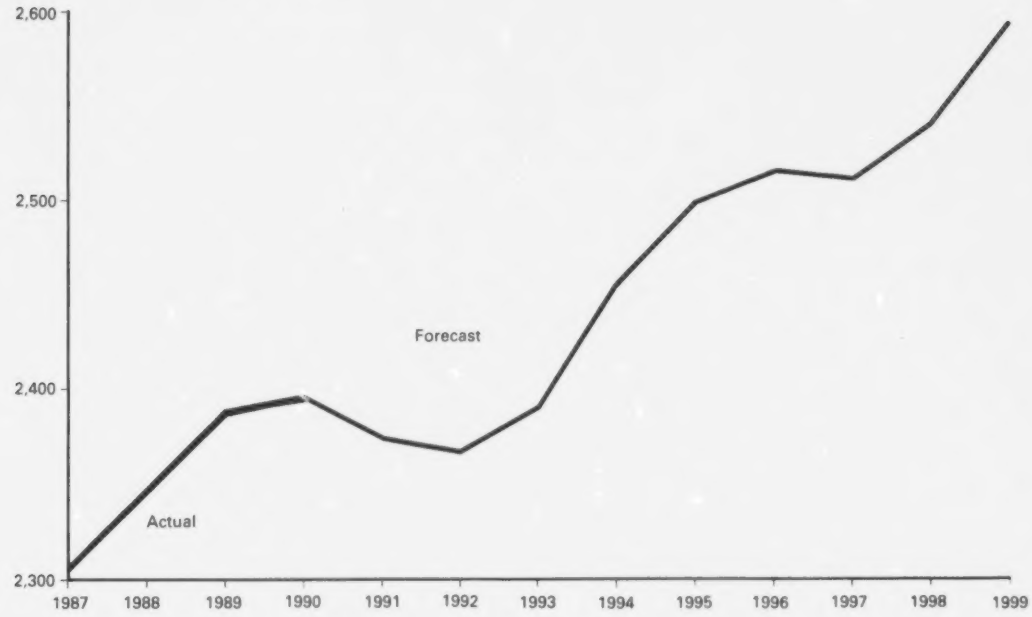
Despite the overall pattern of growth, employment is expected to have fallen during 1990 and 1991 because of the impact of the Gulf war and economic recession, and then to grow only slowly in 1992 (Figure 2).

Figure 1
Total employment in hotel and catering industry 1990



Source: Department of Employment, Labour Force Survey

Figure 2
Total employment in hotel and catering industry 1987–99 (thousands)



Job categories

There was a marked increase in the proportion of managerial and supervisory jobs in 1985–90. This trend is expected to continue in the 1990s, but at a somewhat slower rate.

Replacement needs

Up to 1995, the industry is likely to lose, on average, 640,000 people each year through retirement and net losses from the industry (as distinct from flows in and out of different sectors within the hotel and catering industry).

This means that, allowing for an average expansion each year of 14,000 people, the industry will need to find nearly 3¼ million new recruits during this period, an average of some 654,000 a year or nearly 13,000 a week. Most of these will be at operative level but, even so, employers will be looking for an average of over 3,000 skilled, supervisory and managerial staff a week, across the industry as a whole. Although less than in the 1980s, this is a considerable challenge, particularly in the more difficult recruitment climate of the 1990s.

Forecasting record

The HCTB and HCTC's manpower forecasts have been remarkably accurate. The 1988 forecast for the commercial sectors was for employment growth of 230,000 between 1987 and 1993, or 38,000 per year on average. The increase between 1987 and 1990 has actually been 113,000, or very nearly 38,000 per year.

Forecasts by sector have generally been accurate, with slight under-estimates in restaurants and pubs, and over-estimates in clubs and contract catering (Table 1).

Table 1
Comparisons of 1988 forecasts with actual employment in the commercial sectors (thousands)

	Actual increase 1987–90	**Forecast increase 1987–90**
Restaurants	44	39
Pubs	23	19
Clubs	6	14
Contract catering	10	12
Hotels	30	29
Total commercial sectors	113	113

Manpower levels in comparison with college output

College output is likely to provide only 28% of the annual replacement needs for all skilled personnel in the industry. In other words, there will be, on current trends, an average of some 122,000 people taking skilled jobs in the industry each year without any external professional qualification. (When unskilled people are included in the calculation, the proportion of qualified entrants to replacement needs falls to 7%.)

The shortfall is most severe for managers, where the college output is only 7% of the replacement needs (Table 2). According to a recent CNAA report, the situation is further aggravated, as a high proportion of hotel and catering graduates take up positions outside the industry. For supervisors, formal qualifications account for 29% of replacement needs. For craftspeople, the proportion rises to 33%.

The gap between craft employment and college output is greater than Table 2 suggests. First, the numbers are based on certificates issued and many individuals gain more than one qualification. Second, up to one quarter of the awards are to part-time students, who are already employed in the industry.

The comparison between industry needs and college provision implies that there is a correlation between the skills needed in the industry and the formal, external qualifications offered for it. This assumption may be open to question in the predominantly practically-based occupations provided by this industry, but as this and other studies have found, employers do value formally qualified staff.

Table 2
The industry's employment needs and college output 1990–95 (thousands)

	Managers	Supervisors	Craft and semi-skilled	Operatives and others	Total[1]
Average annual replacement needs	29	34	106	485	654
Average annual output from colleges[2]	2	10	35	–	47
Average annual shortfall of qualified staff	27	24	71	–	607
Proportion of newly qualified to replacement needs	7%	29%	33%	–	7%

[1] Excludes self-employed, personal employment, domestics and housekeepers.
[2] Based on certificates issued to part-time as well as full-time students.

Skills in the hotel and catering industry

Hotel and catering has traditionally been seen as an industry with a lot of low skilled, low paid, low status jobs, with high staff turnover and little emphasis on training. The Education and Training Advisory Council (ETAC) report of 1983[1] found that one half of managers, two-thirds of supervisors and one half of skilled people did not hold a catering qualification of any kind, and that there was little opportunity for those employed in the industry to acquire formal qualifications. Nonetheless, most employers believed the industry would benefit from higher proportions of qualified people.

This study shows that the industry is better qualified than it was five years ago[2], but remains under-qualified by comparison with the rest of the economy. For example, 30% of managers in the hotel and catering industry still have no qualifications at all; this compares with 12% of managers in the economy as a whole. Formal qualifications held by the different job categories were generally one level lower than the equivalent job category in the whole economy. Thus, many managers only have craft qualifications, and many craftspeople only have school leaving qualifications.

There is some evidence that both employers and education providers have taken the historical problems of the industry on board, and have begun working more closely to address the training issues raised in previous reports and industry discussion groups.

Despite the recession, there is a clear and continuing commitment by employers to training and development of existing staff. This has particularly been the case for the larger companies which have increased their relative importance in the industry over the last decade, and for those which regard quality as a key aspect of their marketing and corporate branding policy. However, efforts have concentrated on the training of managers and the benefits have not yet filtered down effectively, either to lower levels or to all the operating units.

Education providers have clearly responded to the need expressed in the ETAC report for greater provision of management level programmes, and, albeit to a lesser extent, supervisory skills. How far the development of these skills should take place in a college environment, rather than in the workplace, is still under debate. It is clear that the combination is important in order to deal with the full range of needs of the sort of people attracted to work in the industry.

However, the situation remains that colleges produce a very small proportion of the managers and supervisors which the industry needs. There are also, it appears, far more applicants than places. All of this suggests that there is scope for further expansion in these areas, particularly as NVQs/SVQs (which have no pre-entry requirement) start widening access to qualifications.

On the provision of training at a craft level, which the colleges are at present most geared up to do, the situation is less clear. The demand for full-time craft courses has declined, and generally there were fewer applicants than places available. There were a number of possible reasons for this, including increases in on-the-job training and assessment, and improvement in YT provision. The development of NVQs/SVQs will clearly have a further significant impact.

Management expectations of staff

In general, employers in the industry were not satisfied with the quality of their staff. Only one-quarter of the establishments interviewed felt that their expectations of staff were fully met. Management expectations of staff, and consequent dissatisfaction, increased with size of organisation, but this may be a result of higher expectations (larger organisations undertook most training).

Shortfalls were most pronounced among skilled staff, followed by supervisors, and were increasingly mentioned as the incidence of formal qualifications decreased. From the point of view of training for the industry, this is a key finding.

[1] *Hotel and Catering Skills — Now and in the Future*, Hotel and Catering Industry Training Board, 1983.

[2] Comparison from Labour Force Survey 1985–90 (see Figure 25).

Industry's attitude to qualifications

The more qualifications hotel and catering staff had, the more their managers were satisfied with them.

Managers valued qualifications. This is because they were believed to:

- provide a measure of basic skills
- provide a better quality of recruit
- save time and money in training
- improve the quality of the organisation
- provide more committed staff.

While a qualification tended to increase the chance of a job offer, only a quarter of all establishments and 55% of large employers actually specified a qualification to applicants.

There was good understanding of what the available qualifications stood for, but a reluctance to rely on qualifications as the main discriminator in recruiting staff. The interview selection process, together with the right practical experience, were felt to be more important. (In most other industries, qualifications are regarded as the common denominator between potential applicants. Thereafter, personal qualities are important.)

These views reflect the relatively low prevalence of qualified personnel within the industry, and suggest that traditional qualifications have not met the needs of employment in the industry. In addition, the benefits of the recent work on developing vocational qualifications of relevance, and of appropriate standards, to such a practically-based industry have not yet been sufficiently felt.

Recruitment difficulties

The greatest recruitment problems relating to qualification requirements, occur with supervisors and skilled personnel.

Recruitment of managers with appropriate qualifications was perceived to be less difficult than supervisors and skilled people. This must in part be a reflection of the effort that has gone into the development of management education over the last five years. With the colleges currently producing only 7% of the total number of managers needed by the industry, a considerable emphasis on management training continues to be needed within the employing organisations themselves. Moreover, when recruiting qualified managers, the industry is drawing from the pool of qualified and experienced supervisors, which leads to skill shortages at this level, and subsequently at craft level.

Industry-based training

The specific assessment of training needs was low. Training was the most frequently mentioned action taken by employers to deal with staffing challenges. But the small pool of quality staff, together with the poor image of the industry as an employer, were perceived as major unresolved problems. These perennial issues are in some respects under the control of the industry itself. Indeed, recent research conducted for the BHA suggests that the image of the industry with the general public is not as low as the industry itself maintains. Nevertheless, the raising of the standards of staff, and the improvement of the industry's corporate image, represent a major challenge, to be addressed at an industry-wide level.

The training activity undertaken by employers in the industry was only very rarely in skills specific to that organisation — though in seeking to differentiate themselves from their competitors, organisations realised that the quality of service they deliver depended on the exercising of such technical and personal skills.

Opportunities to obtain formal qualifications, once in employment, were still generally perceived as low, across all job categories and in all sectors of the industry. On-the-job, non-qualification training was more pronounced. Due to statutory requirements, hygiene formed the most frequent content of training activity, followed by health and safety at work. Skills relating to the technical aspects of doing any particular job, and communication skills were also singled out as being important.

Productivity

The industry will continue to need to recruit substantial numbers of people, in an increasingly competitive recruitment market for school-leavers over the next decade. It will also be seeing less externally-induced growth over the next five years, even past the current recession, than it has become used to in the 1980s.

Both these factors should put increasing emphasis on productivity. Productivity in service industries is very largely a function of the quality of the workforce at all levels, especially skilled people, supervisors and managers. Employers who accept this link, are likely to favour new training initiatives. Fortunately a significant proportion of those interviewed already believe that qualifications and training at nearly all levels raise the standards of staff, and the quality of the organisation.

Industry's attitude to NVQs and SVQs

There was at the time of the research a very low awareness within the industry of NVQs and SVQs. This reflects the stage then reached in their development and marketing.

While most respondents saw a value in external qualifications as being something recognised by the industry in general, they were more inclined towards employees taking in-house qualifications leading to internal certificates.

With the introduction of NVQs and SVQs, large and small employers alike have a solid base on which to build in-house training programmes. For the first time, there is a clear, comprehensive qualification structure which is work-based, which has been developed to meet the needs of the whole industry, across all skill levels, and which can be incorporated into individual organisations' training initiatives.

Because NVQs and SVQs are independent of the mode of learning, in-house training programmes will take on greater significance as they lead people to the competences required for NVQs and SVQs. Thus, training activities can be rewarded with a nationally recognised qualification, and personal development encouraged as an on-going process, from one level to the next. The accreditation of prior learning, and such initiatives as *Investors in People*, BS 5750 and similar quality control systems, will further assist and encourage these developments.

Paying for training

The NVQ/SVQ initiative is asking employers to provide considerably more financial (and other) resources than hitherto, by way of workplace experience, training of assessors, fees, and assessment of the individual. Given that much of the industry's training is in skills not specific to any one employer, some employers will be unwilling to provide all this extra money out of their own resources.

There is a particularly strong argument for basic skills education and training to be either centrally funded, or paid for by individual employees. Specific company requirements need to be imprinted on top of this by means of employer-based training programmes. The training credits scheme, which the government is set to expand, combines these by providing central funds *through* the individual.

In addition, the government has introduced (from April 1992) tax benefits for individuals who invest in NVQ/SVQ related training initiatives.

A system which channels funding for training through the employee is likely to be very suitable for this industry as hardly any employees are able to finance their own training, and few of the skills required for this industry are specific to a single employer. Furthermore, when the training results in widely recognised skills or qualifications, then the quality of the industry's workforce is raised, to the benefit of all employers and employees.

NVQs and SVQs fit very well into such a framework, providing a way of building up a set of widely recognised skills, documented in the form of credits which are associated with the employee wherever he or she goes. The training programmes involved, moreover, can be built up according to needs — both of the individual concerned, and of the organisation in which they are employed.

Comparisons with France and Germany

The National Institute of Economic and Social Research has drawn interesting comparisons between the burden of paying for training which is placed on employers, as against employees and public authorities, in the UK, France and Germany.[2] British employers throughout the UK economy are responsible for much more of the cost of training their employees at technician and supervisory as well as craft levels than French or, especially, German ones; they also now (unlike 30 years ago) reward training with much smaller pay differentials.

The consequences appear to include much less training at craft and intermediate levels, and a less efficient allocation of the total resources available for training to the real needs of industry. The hotel and catering industry in this country has been unusual in that much craft education has thus far been done pre-employment and hence 'free' to the employer, or else on day release at a relatively low cost. However, full-time pre-employment craft training has fallen markedly in recent years, and employers are now being asked to take on a significant proportion of the cost of higher education.

From the point of view of the employee, the most tangible benefit of training is higher pay for higher levels of skill, visibly certified by qualifications. As noted above, British industry generally offers much smaller pay differentials for different levels of skills than used to be the case here, and is now the case in France or Germany. Nothing in the survey results suggests that the hotel and catering industry is an exception to this picture.

TECs and lecs

Training credits come within the remit of the influential Training and Enterprise Councils, and in Scotland, the local enterprise companies. The first of these organisations were set up in mid 1989, following the government's announcement of its intention to give business a leading role in the provision of vocational education in their local areas[3]. In 1991, their responsibilities were increased to enable employers to take a strategic view of skill needs in their areas, and to secure a coherence in vocational education and training provision. The 1991 White Papers envisaged a further extension of the influence of employers on the education system through TECs and lecs, to also encompass the development, and implementation of:

- bridging the divide between education and employment through Compacts and Education-Business Partnerships
- the Careers Service
- employer involvement in the management of further education.

Qualification trends

Formal qualifications held by employees in the hotel and catering industry increased over the five years 1985–90, but were still lower than the average across all UK industries.

Qualifications held by different job categories were generally one level lower than the equivalent job category for all industries. Hotel and catering supervisors were rather better qualified than their peers, but the emphasis is on craft rather than broader-based supervisory qualifications.

More than half of the managers and supervisors who hold a qualification were not qualified above craft level. This was the situation in 1985.

The picture of qualifications awarded is mixed, with different rates of growth between the various types of certificates and awarding bodies:

- marked growth in CNAA degrees and HCIMA Part A/Professional Certificate
- significant decline in nearly all City and Guilds subject areas, and BTEC National Diplomas.

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[2] *Intermediate skills in the workplace: deployment, standards and supply in Britain, France and Germany* by H. Steedman, G. Mason and K. Wagner. NIESR, National Institute Economic Review 2/91, May 1991, pp. 60–76 and particularly 68–71.

[3] *Employment for the 1990s*, Cm 549 HMSO, London, December 1988.

College survey

Many more places were on offer in the colleges, especially at management and supervisory levels. But at these levels demand had grown rapidly too, so that there were still far more applicants than places.

In further education, there were considerably more places available than applicants to fill them.

The college survey confirmed that many college-based programmes had been affected by the need to integrate learning with work experience. Notable examples of this development, which will accelerate as NVQs/SVQs get more widely taken up, include the HCIMA's Professional Certificate and Diploma, and HCTC's operational and business management programmes. Initiatives which bring the providers of education into partnership with employers, will undoubtedly go a long way towards reducing the levels of dissatisfaction found in the interviews with employers.

Other points to emerge from the college survey were:

- the need to place a greater emphasis on language skills
- a move away from the need to tailor courses to suit the needs of specific skill or job categories
- a certain amount of confusion over the new system of qualifications, and the role of the various awarding bodies.

Colleges' attitude to NVQs/SVQs

Most of the colleges in the survey sample regarded NVQs/SVQs as a positive step, bringing together the general trend towards work-based training and a closer involvement with the needs of the industry. Perhaps not surprisingly, a small body of respondents were also concerned that too much emphasis was being placed on work-based training and assessment, irrespective of quality, with a consequent devaluation of externally derived standards and assessments.

Changes in further and higher education

The principal results of the widespread review of higher education and vocational requirements are now clear. But what it will mean for the structure of education provision, and for the skill levels of the hotel and catering industry has yet to evolve in terms of the:

- development of centrally-funded further education (through the new Funding Councils), which will work closely with TECs and lecs for the assessment of local needs
- widespread introduction of training credits
- provision of certain funding to colleges linked to NVQ/SVQ certification routes.

Just how far the role of central funding should go, and the most appropriate ways of channelling central funds, are still matters of debate within industry, government and the providers of education and training.

Many hotel and catering jobs have a craft skill content and the most prevalent formal qualification for supervisors and managers has been a craft qualification. However, in recent years, funding processes and priorities have promoted the expansion of higher, not craft, education. Moreover, as catering craft education is relatively expensive in terms of capital overhead and direct material costs, any system of funding which does not vary sufficiently with the course taken by each individual student, is likely to discriminate against hotel and catering craft courses. This will be an important consideration when the new Higher Education Funding Councils for England, Wales and Scotland are established, since those catering colleges which have been generously funded by the Local Education Authorities may find that falling financial provision as well as declining numbers on courses make the running of catering courses prohibitively expensive.

Within higher education, different ways of funding various courses also have a profound affect upon their popularity. This is illustrated by the fall in the number of HCIMA Part B/Professional Diploma awards, which carry discretionary grant status, compared to the increase in HNDs, for which grants are mandatory.

RECOMMENDATIONS

1. Setting benchmarks for future comparison

Itself a follow-up to the immensely influential ETAC report of 1983, an update of this study is planned for about five years time. One of the principal objectives of the update will be to look at the impact of National and Scottish Vocational Qualifications (NVQs and SVQs). This study has therefore set benchmarks and other criteria which will facilitate future comparison.

2. Better communications between industry and education

Although progress has been made since the ETAC report in closing the gap between the industry's needs and the education sector seeking to meet them, it is not enough. More has to be done to increase awareness of what each side has already achieved, and is now working towards, and of how each can help the other. The providers of training and education must continue to clarify their role, explain what they are doing and further adapt it to the needs of the industry at large.

In getting involved with the NVQ/SVQ initiative, employers have much to gain from working with education, and vice versa. Employers can then make more effective use of education provision in their in-house training activities.

3. Spreading the benefits of training

The industry's larger employers and a number of innovative small employers have made a good start in tackling some of the important staffing issues. The benefits of these major training initiatives must be cascaded down to unit level. At the same time, other employers should be encouraged to follow their example.

The survey shows that employers value qualified staff. More should be done to recognise their employees' success in gaining qualifications, in a way that will encourage them to remain with their employer.

With the return of an increasingly competitive recruitment market for the next decade, those employers who have not yet done so, should invest in attractive training and career progression packages.

New and existing packages must be designed to attract those with training credits, by offering NVQs/SVQs linked to career development.

Training activity and encouragement to gain qualifications is particularly important at skilled and supervisory level. Here employers can take advantage of existing programmes which broaden the personal skills of skilled and supervisory staff in a practical, work-based context, such as HCTC's operational and business management programme, HCIMA Professional Certificate/ Diploma and NEBSM. Each of these is being linked with relevant NVQs/SVQs.

Increasing emphasis on productivity will be necessary for business survival and effective training to enhance productivity levels is, therefore, essential.

4. Cost-benefit analysis of training

Objective measurements of the effects of training require development, so that the credibility of training can be more widely established. Areas for the most effective deployment of resources can then be identified.

5. Interface between further and higher education

There should be a better interface in planning and funding between further and higher education. The hotel and catering industry can make a strong case, in view of its unusual degree of vertical integration between further and higher education.

6. Funding issues for education

In the context of the current debate on further and higher education, and the creation of the new Higher Education Funding Councils, the full implications of the different funding options should be made very clear to all parties, so that the final outcome optimises the use of resources.

Key issues to be recognised, communicated and taken into account in the new system which emerges include:

- establishing that hotel and catering programmes, like engineering, require relatively high capital, equipment and material costs, and therefore deserve more favourable funding than, say business studies

- within the hotel and catering provision, striking a more appropriate balance between funding craft programmes in relation to higher level programmes (relatively inexpensive)
- developing criteria for selecting those courses which provide the 'better' product for the industry, so that they can receive favourable funding
- providing sufficient financial incentives to employers to support the new NVQ/SVQ arrangements, and ensuring that the response is uniformly good across all areas of the country.

7. Working through TECs and lecs

To ensure that the provision made by TECs and lecs meets the requirements of the industry, efforts to exert a strong influence on the boards and working parties of these organisations must continue. TECs and lecs play a major role in the assessment of local needs, and the channelling of government funds to help employers implement NVQs/SVQs.

8. Financial implications of NVQ/SVQ developments

The hotel and catering industry has made further progress in implementing NVQs/SVQs than many other industries. However, until the whole system for supporting NVQs/SVQs is fully in place (for example, the provision of workplace assessments), hotel and catering employers and colleges are likely to experience substantial teething problems, and there are potentially serious financial consequences for employers and colleges alike.

This report provides much of the information which will enable the industry to present a strong case to government for support in implementing workplace training, not only through existing schemes such as training credits, but on the wider basis which is necessary to encourage employer and thus employee take-up. A better qualified workforce will contribute substantially to improved standards, and renewed growth in employment opportunities.

9. Marketing NVQs and SVQs

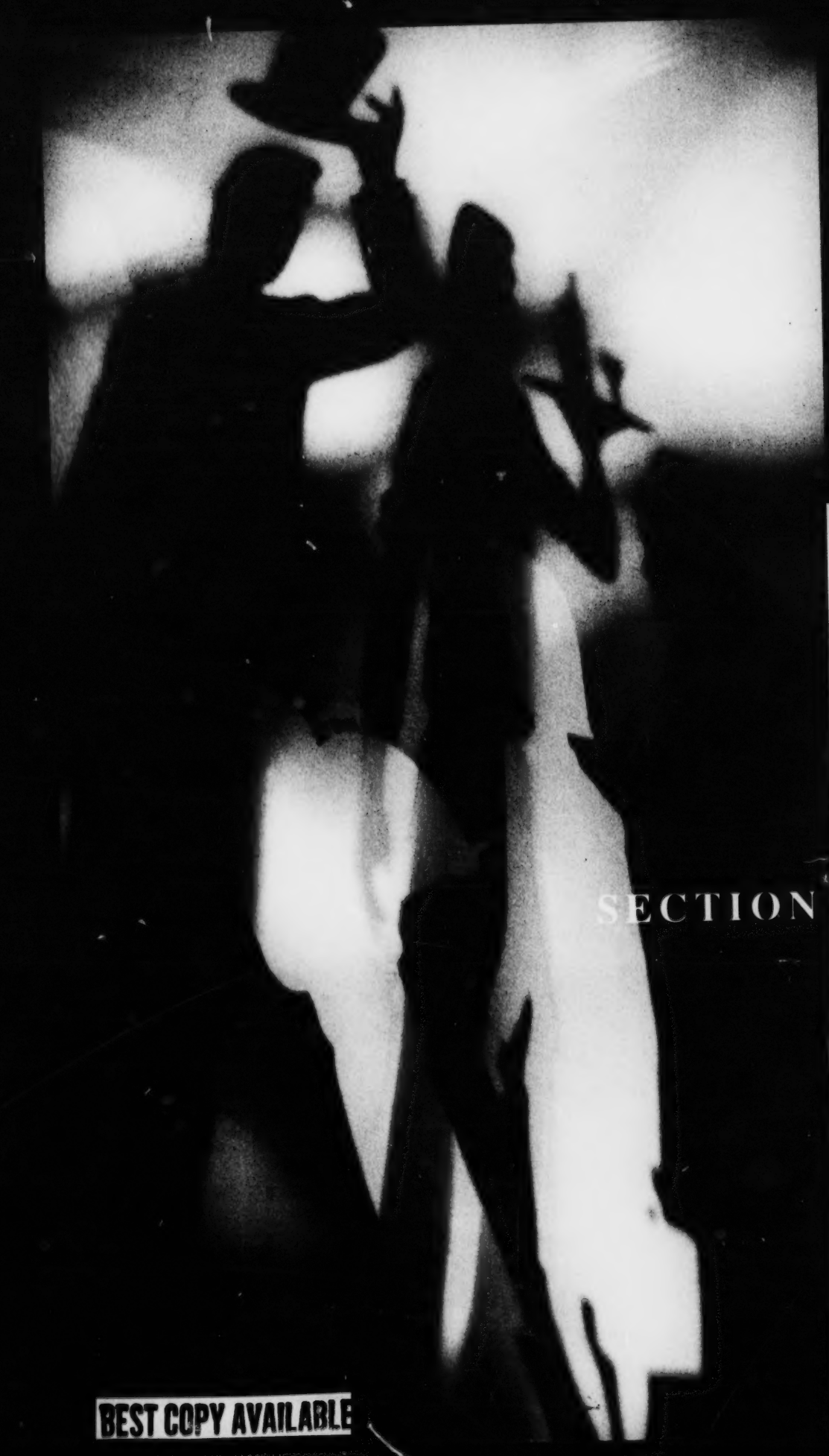
The low level of awareness and understanding about NVQs and SVQs, within education and industry, evident at the time of this research, was not surprising. They were more of a theoretical concept than a practical product. However, now that the full framework of NVQs/SVQs for this industry is available, their many benefits must be more effectively communicated to everyone involved.

NVQs and SVQs have the potential to become a single, comprehensible, relevant, reliable and attractive system for giving the industry the qualified staff it needs. The introduction of general NVQs in leisure and tourism, and general SVQs in catering, tourism and leisure (piloted from September 1992) will further widen access to recognised qualifications for young people entering the industry. The success of these initiatives will depend on close attention to standards and a major marketing effort. The opportunity is there, but it will not seize itself.

As a matter of priority all the key players should exploit every means at their disposal to raise awareness of NVQs and SVQs including the Industry Training Organisation/lead body (HCTC), NCVQ, SCOTVEC, the awarding bodies, professional and trade associations, industry ad-hoc groups and so forth. A start has been made, but more needs to be done.

10. An action plan

Industry, training providers and education must work closely together to establish a joint response to the major changes currently under way in the whole system of vocational education and training in this country. The first step might be to draw up an action plan to implement the recommendations that have come out of this study.



Objectives and methodology

SECTION *Two*

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OBJECTIVES

The overall objective was to assess the skills needs of the hotel and catering industry, now and in the future, against the provision of education and training — currently available and likely to be available in the future. The research was also intended to follow-up the 1983 ETAC Report.[4]

The detailed objectives were to:

- identify the implications of future employment requirements using econometric forecasting
- identify other trends which will have a bearing on skills requirements, training and employment needs
- review the content of courses and training within industry and education in the UK, and look at the impact of NVQs and SVQs to date, and their potential for the future
- identify the gap between the skills needs of the industry and provision of education and training to meet these needs
- set benchmark measurements for future update reports.

METHODOLOGY

The objectives of the study have been pursued in four principal ways:

Interviews with industry

A nationwide network of research interviews based on a structured questionnaire was used to obtain information on the industry's current and future skill requirements, including training and qualifications.

Employers and employees, primarily in management and supervisory positions, were interviewed in all sectors of the industry and different sizes of organisations. In larger establishments, face-to-face interviews were carried out using the full version of the questionnaire. In smaller units, the interviews were done on the telephone, with a similar questionnaire. Altogether, 326 interviews were carried out, representing a response rate of 63%.

In addition, focused personal interviews were undertaken with head office personnel specialists of large multiple operations. These covered the same broad topic areas as the nationwide survey. The nine organisations were chosen to represent all the main sectors of the industry. They ranged from the very centralised, with training closely allied to the business objectives of every level of the organisation, to the franchise-type operation where head office exerted less control over training.

Postal surveys to education and training providers

Information was collected by means of a postal survey of colleges, polytechnics, universities and other providers of further and higher hotel and catering education and training. In all, 298 colleges were written to, and 82 (29%) responded. The replies were well spread across the different types of educational establishment.

Desk research

This covered a wide variety of sources including:

- reports and statistics held by HCTC
- work on standards development carried on behalf of HCTC's Lead Body function
- surveys produced by such organisations as Euromonitor, Horwath and Horwath, InterCompany Comparisons, Inn Data Ltd, Jordans, Keynote, Mintel Publications, Pannell Kerr Foster Associates
- government departments and, in particular, the Employment Department
- examining, awarding and accrediting bodies.

In order to identify and confirm evidence of specific skill shortages, a detailed analysis of recruitment advertisements was carried out over time in the principal medium for such advertising: *Caterer & Hotelkeeper*.

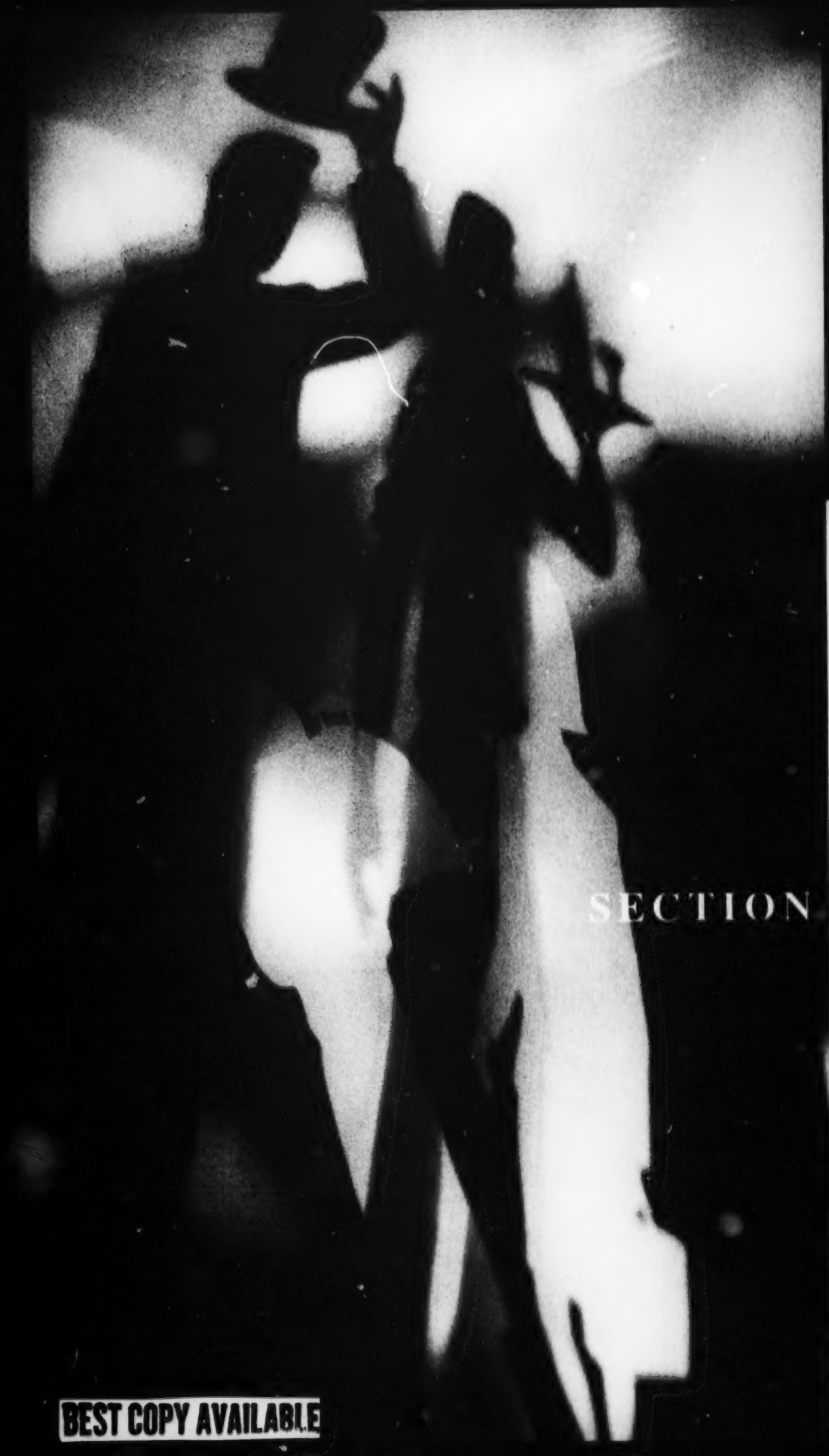
The findings from the postal questionnaires and desk research were checked and consolidated by means of a number of seminars with a small group of catering educationalists.

Econometric analysis

Employment data was analysed, and matched up with other statistical information on likely influencing factors, in order to identify and quantify the key market parameters.

The resulting econometric forecasting models were used to predict future employment levels, and the lower and upper limits to these forecasts.

[4] Hotel and Catering Skills — Now and in the Future, *op cit.*



Employment in the **hotel and catering** industry - now and in *the future*

SECTION *Three*

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TOTAL EMPLOYMENT IN THE INDUSTRY

At the time of the previous manpower forecasts by HCTB (1988), total employment in the industry in 1987 was put at 2,373,000. Due to various revisions in the Employment Department figures on which these estimates were based, 1987 employment is now put at 2,304,000. Table 3 sets out the current employment estimates for 1987 and 1990, and the 1987 figures as they appeared to be in 1988.

Revisions to the old 1987 figures give a slightly lower total for the *commercial sectors* overall, as they do for the *catering services sectors*. There are some quite major revisions by sector, particularly employment in hotels and pubs. The very different allocations between the catering services sectors mainly results from the inclusion or exclusion of categories of employment, such as cleaners and housekeepers who are sometimes on the edges of the usual definitions of hotel and catering employment.

Table 3
Comparison of 1988 and 1991 estimates of hotel and catering employment for 1987 and 1990 (thousands)

	1987 estimate in 1988	1987 estimate in 1991	1990 estimate in 1991	Change 1987–90
Restaurants	232	237	281	44
Pubs	281	263	286	23
Clubs	150	140	145	5
Contract catering	135	121	131	10
Hotels (including holiday camps)	275	250	281	31
	1,073	1,011	1,124	113
Self-employed	200	200	162	−38
Total commercial sectors	1,273	1,211	1,286	75
Recreation and culture	270	29	33	4
Travel	30	24	21	−3
Retail	35	46	49	3
Industrial[1]	130	256	246	−10
Education	310	264	281	17
Medical	195	348	333	−15
Public administration	50	45	43	−2
Personal	80	81	100	19
Total catering services sectors	1,100	1,093	1,106	13
Total industry	2,373	2,304	2,392	88

[1] Catering for staff in private sector industrial and commercial enterprises.

COMMERCIAL SECTORS

Recent trends

Employment in the commercial sectors increased by 200,000 (20%) between 1980 and 1990. On average, 20,000 new jobs were created each year.

There were wide variations in growth rates of the various sectors. Restaurant employment grew by around 50%, accounting for almost half of all new jobs in the industry. In contract catering, jobs grew by 26%, in pubs by almost 20%. Jobs in hotels and clubs rose only 11%, or 1% a year.

Figure 3 shows that of the 1,124,000 people employed in the commercial sectors in 1990, 25% worked in each of the pub, hotel and restaurant sectors, and 13% and 12% in clubs and contract catering respectively. With their different growth rates, the proportion of jobs in each sector has shifted significantly between 1980 and 1990. Hotels, pubs and clubs have all lost job share, while there has been a significant increase in job share in restaurants (including fast food) and, to a smaller extent, in contract catering.

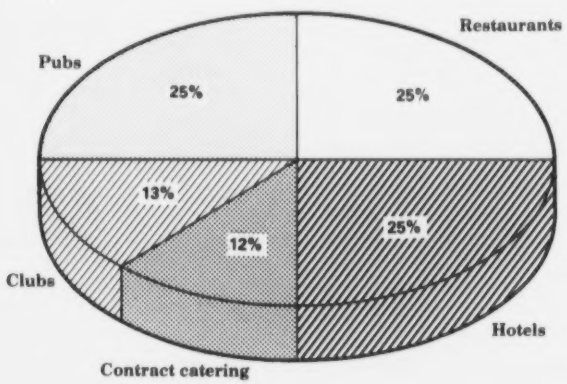
The most recent figures from the Labour Force Survey show that self-employment in the economy as a whole has been falling since 1988. Self-employment in the commercial sectors of the hotel and catering industry is estimated to have fallen from 204,000 in 1988 to 191,000 in 1989, and then to 162,000 in 1990.

Figures 4 to 8 show the quarterly movement in employment for each sector for 1980–90.

Employment 1990 (thousands)	
Commercial	1,124
Self-employed	162
Total commercial	1,286

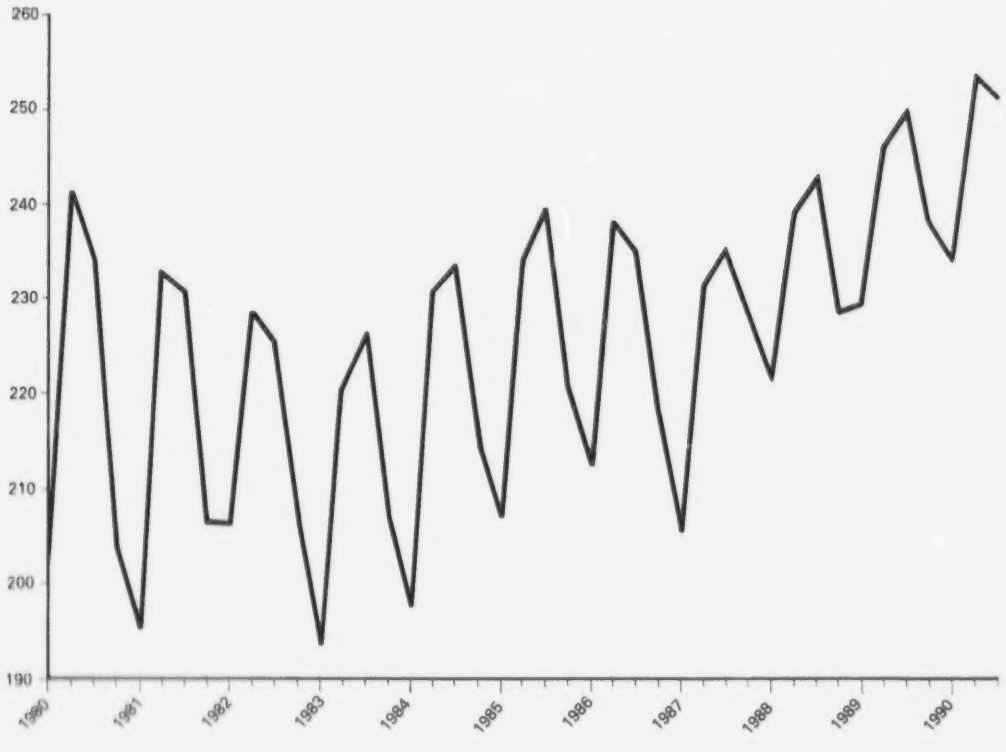
Growth 1980–90 (% per year)	
Restaurants	+5
Pubs	+2
Clubs	+1
Contract catering	+3
Hotels	+1
Total	+2

Figure 3
Employment in commercial sectors 1990



Hotel employment (Figure 4) exhibited variable performance through the 1980s. The number of jobs fell for four consecutive years 1980–83 as the then recession and its after-effects adversely affected domestic customer trade and the high exchange rate discouraged foreign visitors. Employment growth resumed in 1984 and 1985, stopped in 1986/87 as terrorism fears deterred tourists, then grew at a steady rate of 3% per annum between 1987 and 1990.

Figure 4
Hotel employment 1980–90 (thousands)

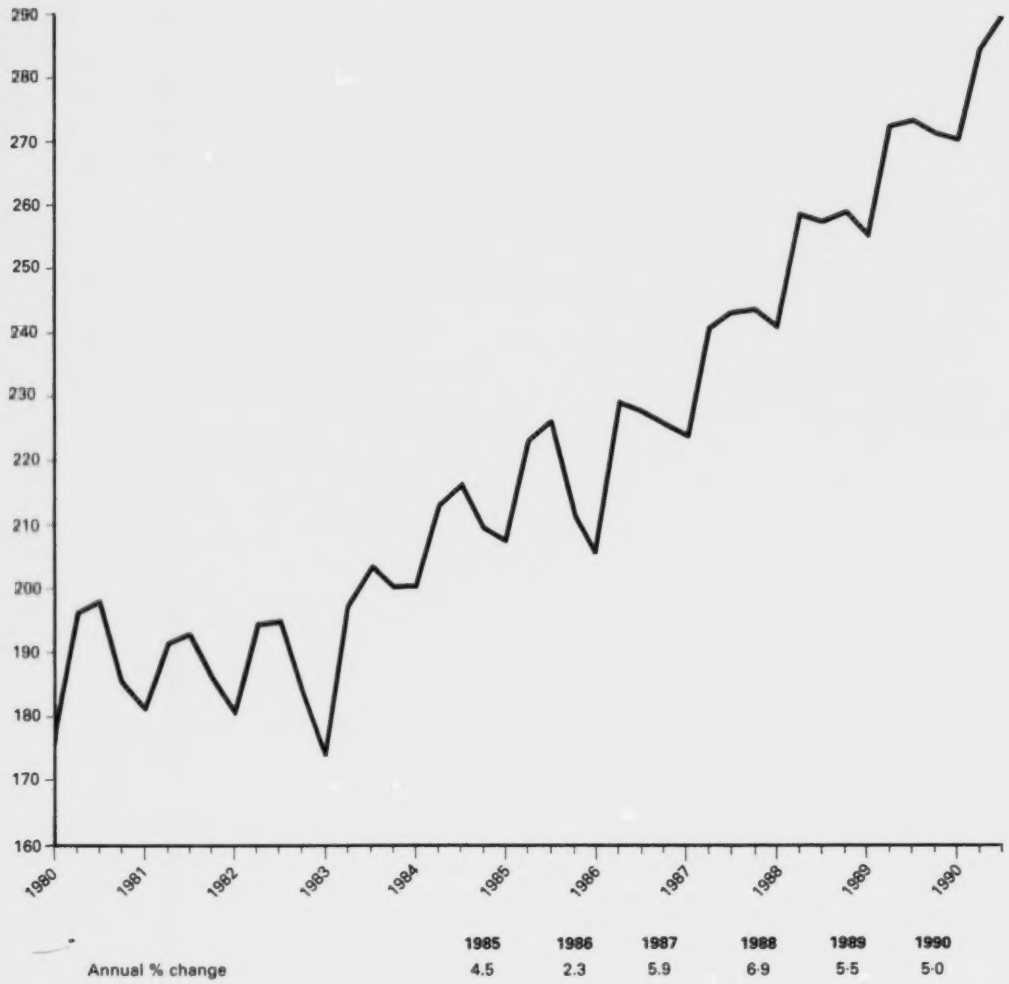


	1985	1986	1987	1988	1989	1990
Annual % change	2.9	0.3	−0.3	3·4	3·5	2·1

Source: Department of Employment

In contrast, **restaurant** employment (Figure 5) has shown a steady upward trend with growth between 1986 and 1990 averaging over 5.5% per year. This employment, moreover, was spread across an increasing number of outlets, a development underpinned by government support for small businesses.

Figure 5
Restaurant employment 1980-90 (thousands)

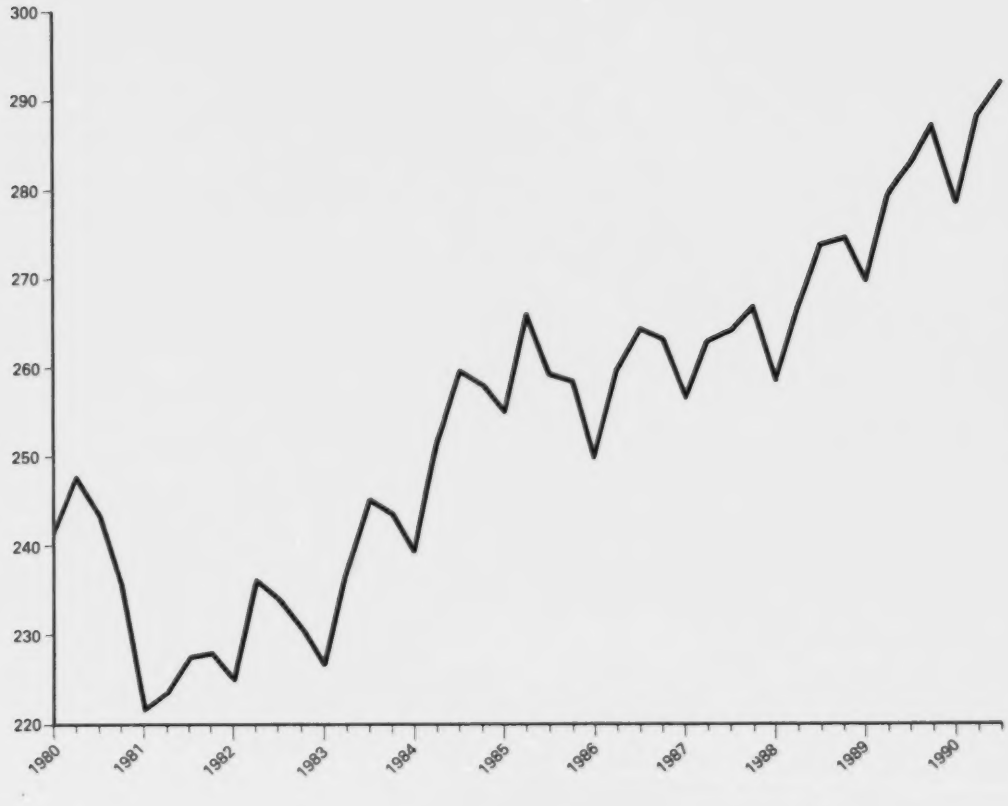


	1985	1986	1987	1988	1989	1990
Annual % change	4.5	2.3	5.9	6·9	5·5	5·0

Source: Department of Employment

Although **pub** employment (Figure 6) was severely affected by the 1980/81 recession, since then jobs have grown steadily at an average annual rate of 3%. The structure of the pub retailing sector is, of course, being affected by the recent Monopolies and Mergers Commission ruling. The most direct effects on employment are likely to be felt on the structure of the workforce rather than on total numbers, but this is something to be monitored as time goes on.

Figure 6
Pub employment 1980–90 (thousands)

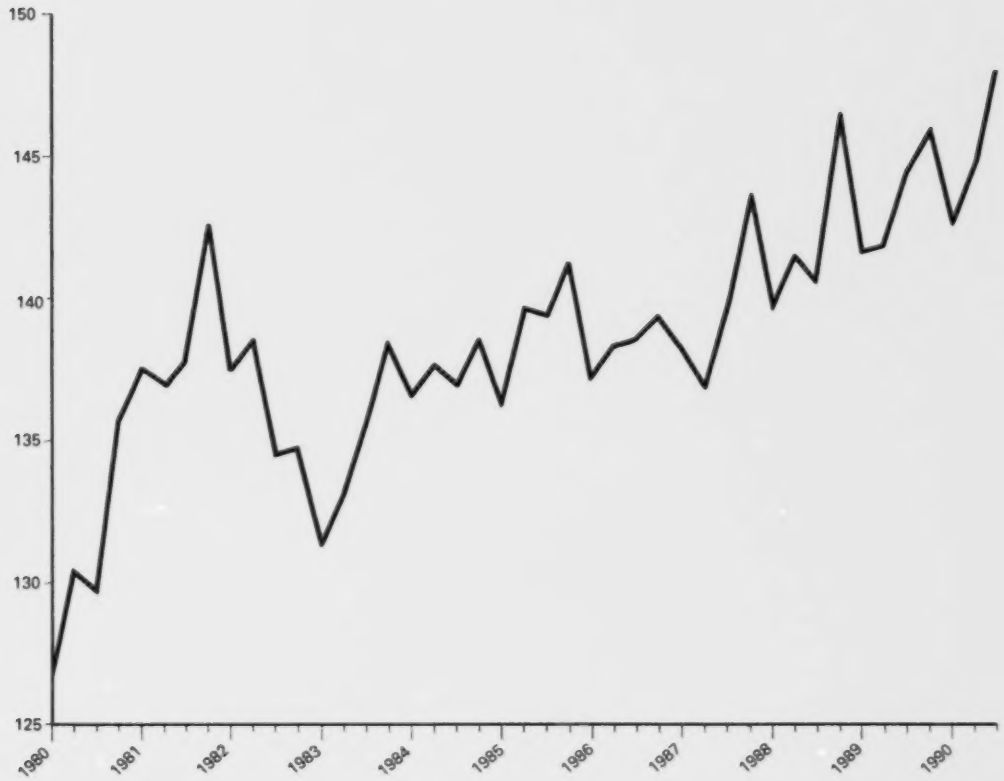


	1985	1986	1987	1988	1989	1990
Annual % change	3.0	−0.1	1.3	2·1	4·4	2·3

Source: Department of Employment

The exceptionally rapid expansion of **club** jobs between 1977 and 1981 (Figure 7) has been followed by sluggish but reasonably sustained employment growth (around 1% per year). (The definition of clubs in the official figures embraces a wide range of differing outlets, including night clubs, sports clubs and working men's clubs.)

Figure 7
Club employment 1980–90 (thousands)

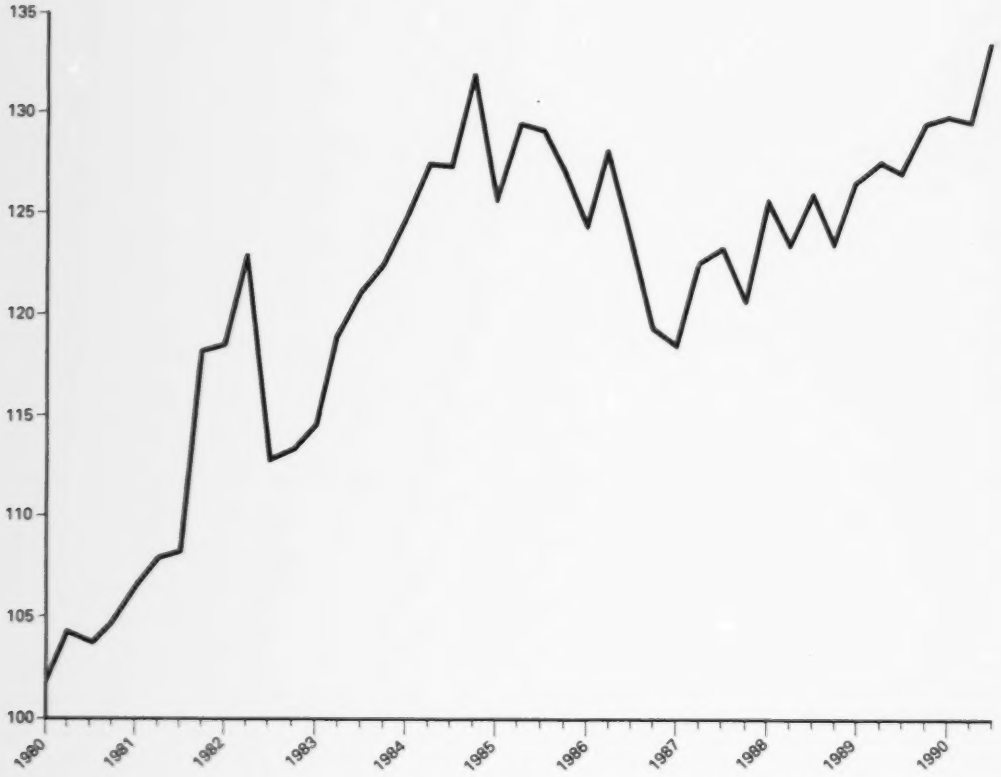


	1985	1986	1987	1988	1989	1990
Annual % change	1.2	−0.6	1.0	1·7	1·0	1·3

Source: Department of Employment

Although **contract catering** is the smallest of the commercial sectors, in employment terms, providing 131,000 jobs in 1990, it has grown rapidly through the 1980s (Figure 8). Indeed in the early 1980s it was the most dynamic of the commercial sectors in terms of employment growth, new contracts becoming available as a result of the restructuring of large, heavy manufacturing units (with predominantly in-house catering facilities), to form smaller, decentralised service-oriented units (with a tendency to contract out the catering services). Many other enterprises turned to contract caterers in an effort to reduce costs. After a cut back in the number of jobs between 1985 and 1987, in line with a downturn in corporate profitability, growth has resumed at a steady rate of 2.5% per year.

Figure 8
Contract catering employment 1980–90 (thousands)



	1985	1986	1987	1988	1989	1990
Annual % change	Nil	−3.2	−2.0	2·9	2·3	2·6

Source: Department of Employment

Productivity

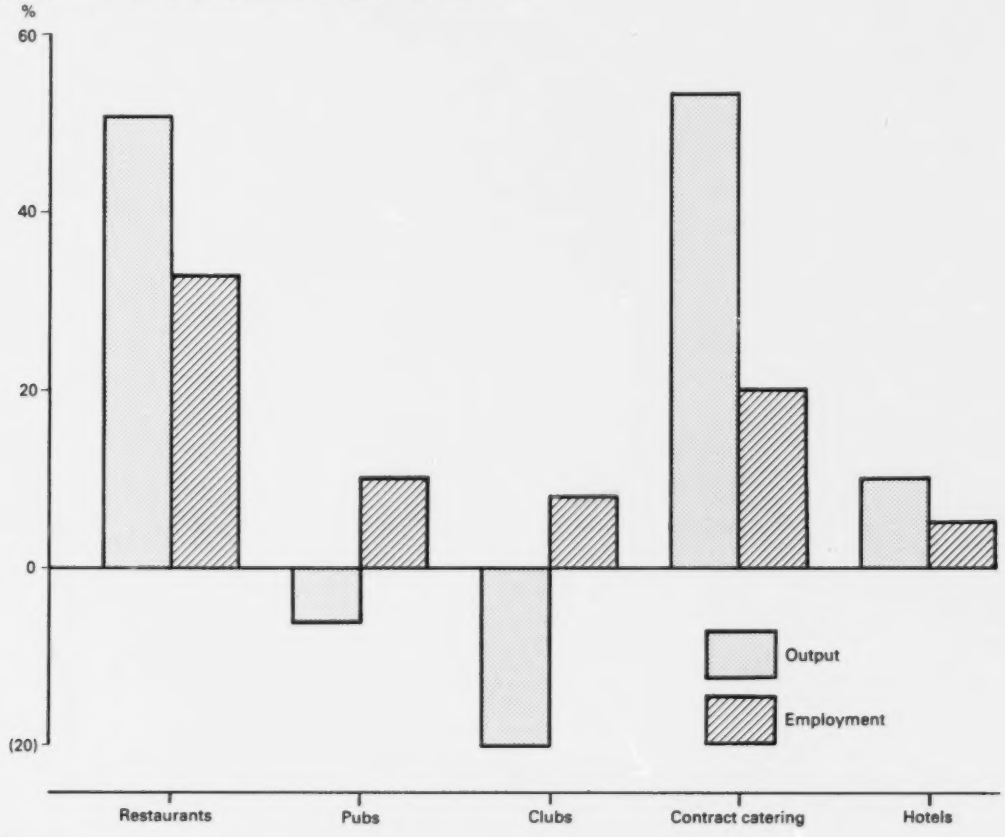
Figures on output for the 1980s show that turnover, in real, inflation-adjusted terms, has risen at a slower rate than employment in the commercial sectors. Although this implies a significant loss in overall productivity — expressed as output per employee, the losses were concentrated in the early 1980s. Since 1984 productivity gains averaging 1.5% a year have been achieved.

Output performance has varied dramatically between the sectors (Figure 9), with spectacular growth in real turnover for restaurants and contract catering, a moderate rise for hotels, and falls for both clubs and pubs.

Contract catering and restaurants were the most dynamic sectors, boosting real turnover by over 50% between 1980 and 1988. However **contract catering** achieved this growth with a significantly lower increase in manpower than restaurants, implying an improvement in productivity of 3.5% a year, compared with only 1.6% a year for restaurants.

Within the **restaurant** sector, not surprisingly, take-away and quick service outlets have performed much better than sit-down meal restaurants. While turnover in the fast-food sector grew by almost 80% in real terms, the more traditional sit-down meal sector increased output by only 30%. Consequently, the take-away subsector now accounts for more than half of restaurant turnover compared to only 44% in 1980. Moreover, the increases in fast food turnover appear to have been achieved by no substantive growth in numbers employed, but rather by

Figure 9
Hotel and catering output and employment 1980–88



Notes

1. All figures in real, inflation-adjusted terms.
2. Restaurant turnover +51%, of which fast food/takeaway +78%; and sit down +30%.

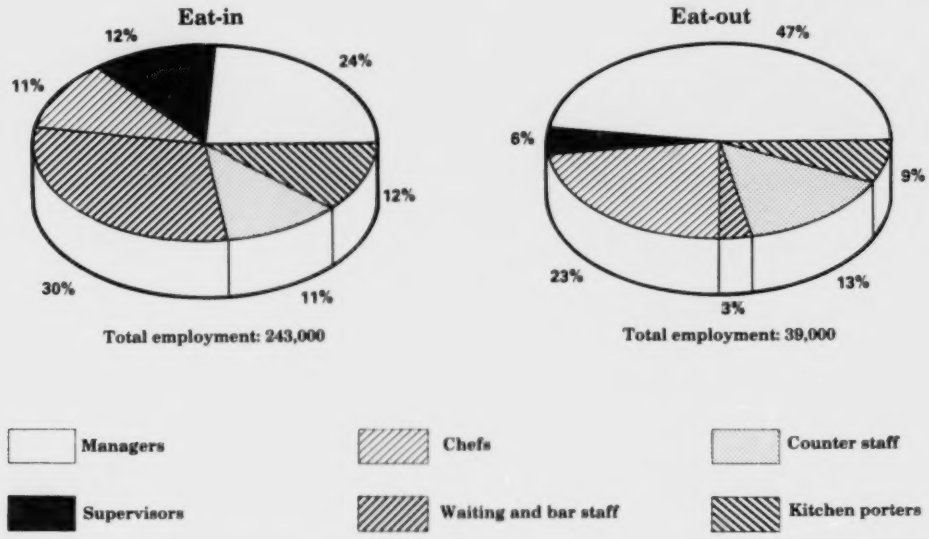
significant changes in the use made of different categories of staff. Figures from the Labour Force Survey (1989 and 1990), show that the number of managers has almost doubled over the last five years in the 'eating out' sector, while the number of chefs and counterstaff have fallen substantially (Figure 10).

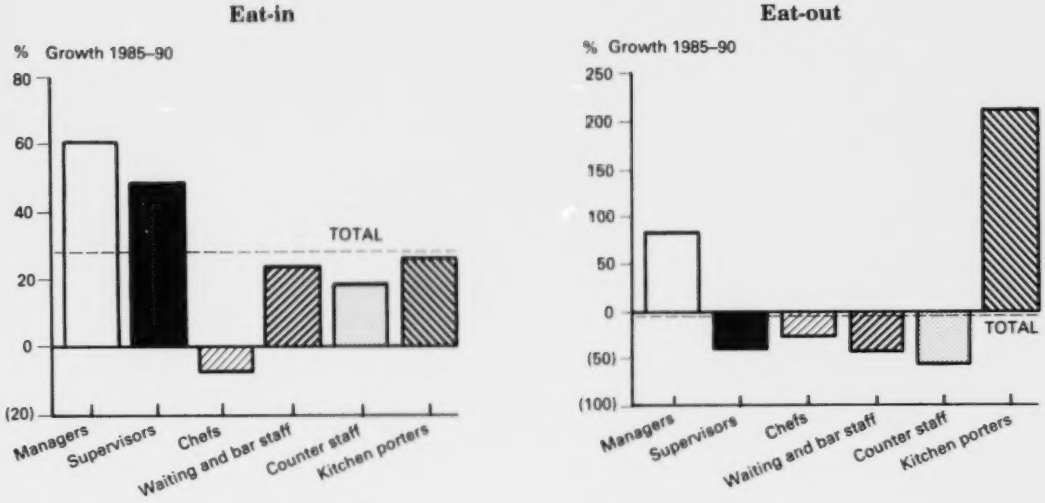
Hotel turnover in real terms fell by over 12% between 1980 and 1984, then rose by 23% in the years up to 1988, giving an overall 11% growth for the period. With employment rising by only 6.5% between 1984 and 1988, output per employee appears at first sight to have increased significantly, but in part this reflects a shift in hotel customers. Over the period the number of nights spent in hotels by UK residents remained static, while overseas visitors hotel nights rose by over 20%. Since overseas visitors spend on average 50% more per night in hotels than UK residents they contribute proportionately more to the sector turnover.

Pub turnover fell by 6% between 1980 and 1988, while employment increased by almost 12%. Consequently, output per employee declined by 15%. Although performance was slightly better in the second half of the period, the figures reflect the drift away from pubs as traditional drinking and social centres which has only been partially stemmed by food provision and changing image. A significant feature of developments over the next five years will be the impact on demand in pubs, as the MMC ruling on pub ownership takes effect.

Club turnover in real terms actually fell by 20% between 1980 and 1988 even though employment increased. Over the same period the number of businesses fell slightly. As the types of establishments included in the club sector are so disparate, it is difficult to draw any firm conclusions on the changes in productivity for the sector as a whole.

Figure 10
Employment in sit down and fast food restaurants by job category 1990





Key factors for forecasting future trends

The first step in forecasting future employment trends is to analyse recent trends. The factors which might be thought to have an impact on the employment trends in the commercial sectors are summarised in Figure 11:

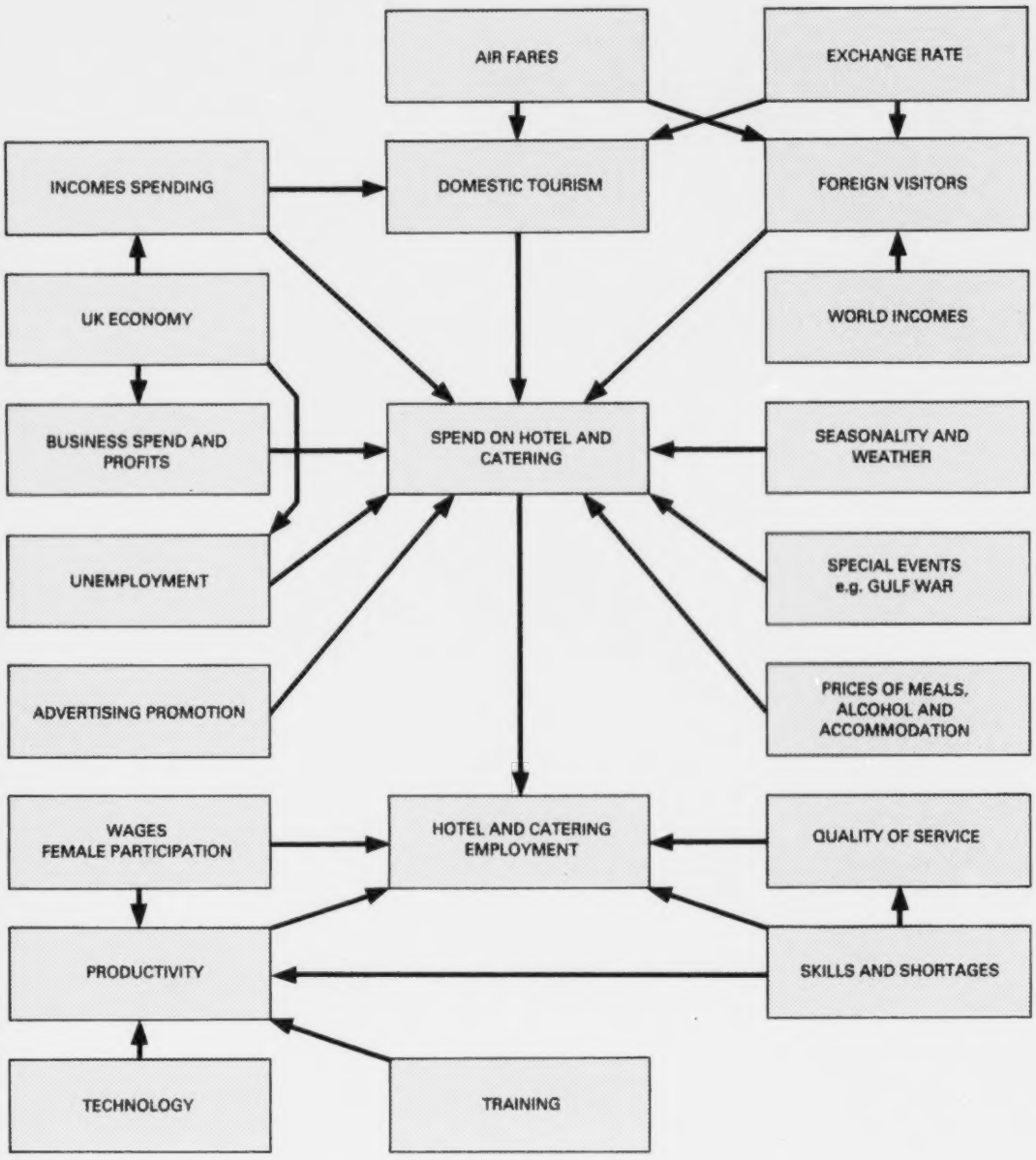
- the first group relates to the market forces which determine demand for hotel and catering services and hence the level of employment required to satisfy this demand: foreign and domestic tourism, consumer and business spending, the price of meals and accommodation and so forth

- the second group determines the *supply* of labour to the industry: wage levels, female participation rates, demographics, training, and so forth. These supply-side factors usually impact on employment less directly than the demand factors. For example, poor wages and working conditions may lead to high staff turnover, while inadequate training may result in skill shortages in specific areas

- the factors which determine changes in productivity act as a bridge between the demand and supply factors. Thus the level of employment required to meet a certain level of demand for services, can be reduced by investing in new technology as well as training.

Statistical information measuring the level of activity of each of the potential influencing factors has been collected on a consistent basis over time by HCTC/MMD. Statistical techniques have then been used to determine which ones are key to explaining the historical pattern of employment levels in the commercial sectors of the industry.

Figure 11
Employment in hotel and catering industry influence diagram



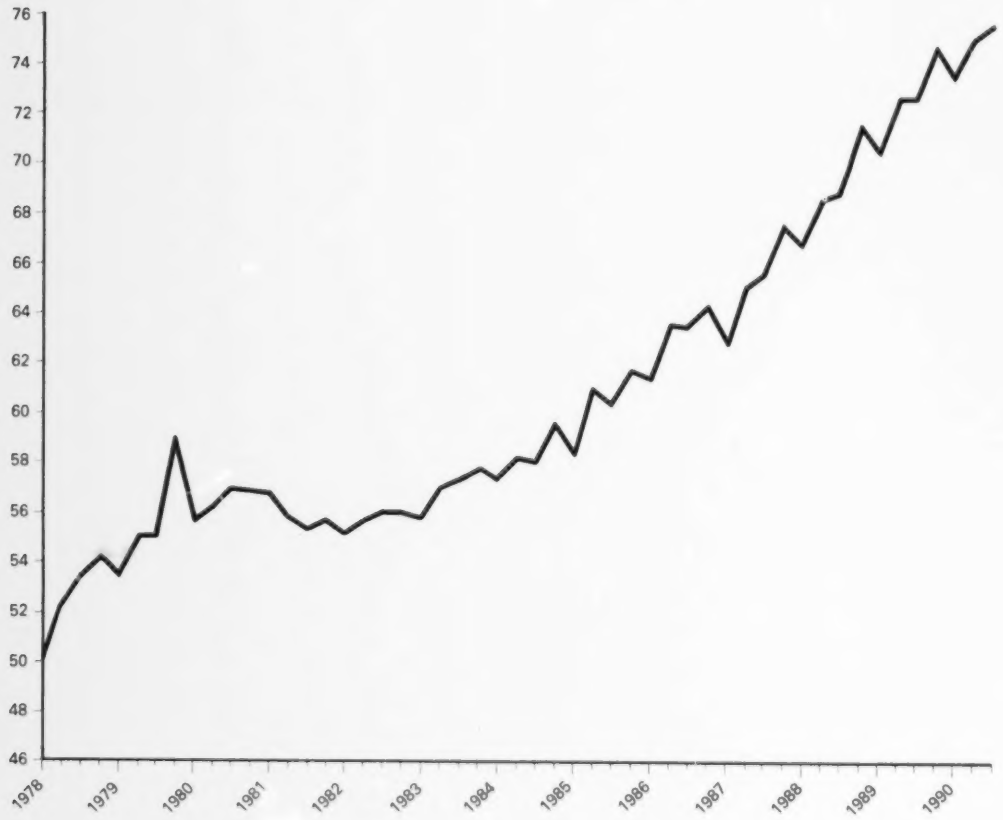
Consumer spending

Increasing prosperity, as reflected in the strong growth of real consumer spending and incomes, has been the main factor behind the buoyant growth of employment in the industry. As Figures 12 and 13 show, real disposable incomes and consumer spending have been growing steadily since the end of the 1979–81 recession, at an annual rate of 2.9% and 3.7% respectively.

Consumer spending has proved to be a more accurate determinant of hotel and catering employment than income because it is a better measure of demand for the industry's services. Throughout the 1980s, wages increased ahead of inflation and, with deregulation in the financial markets, many people felt that they could borrow increasing amounts of money, often on the security of their own homes, the value of which was rising very quickly indeed. As inflationary pressures eased, people also saved less and spent more. The personal saving ratio fell from 15% in 1981 to 4.5% in 1988; it has since recovered to 9%. For all these reasons, through the 1980s as a whole, consumer spending increased faster than personal incomes.

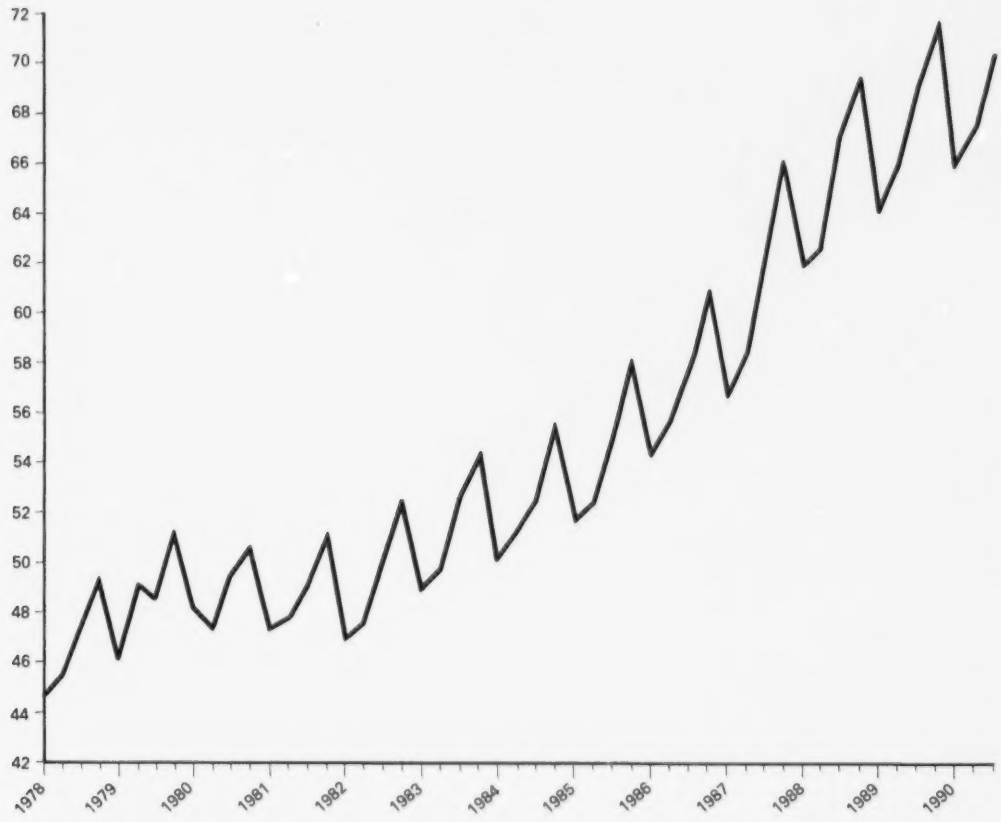
Consumer spending reflects more than merely personal demand for hotel and catering services in that it acts as a proxy for general economic conditions and picks up movements in business activity. At the same time, the general upward trend in personal incomes and spending is associated with changing consumer priorities, tastes and spending patterns. Most importantly, the share of income needed to sustain expenditure on essential goods and services has declined, with a rising proportion being spent on leisure activities, luxury goods and services, including alcohol, meals out and holidays. Thus, the share of spending taken by non-essential services, which includes the hotel and catering sectors, rose gradually from 23% in 1970 to 26% in 1980, with growth accelerating to over 33% in 1990.

Figure 12
Personal disposable income at 1985 prices: 1978–90 (£ billion)



Source: CSO

Figure 13
Real consumer spending at 1985 prices: 1978–90 (£ billion)



Source: CSO

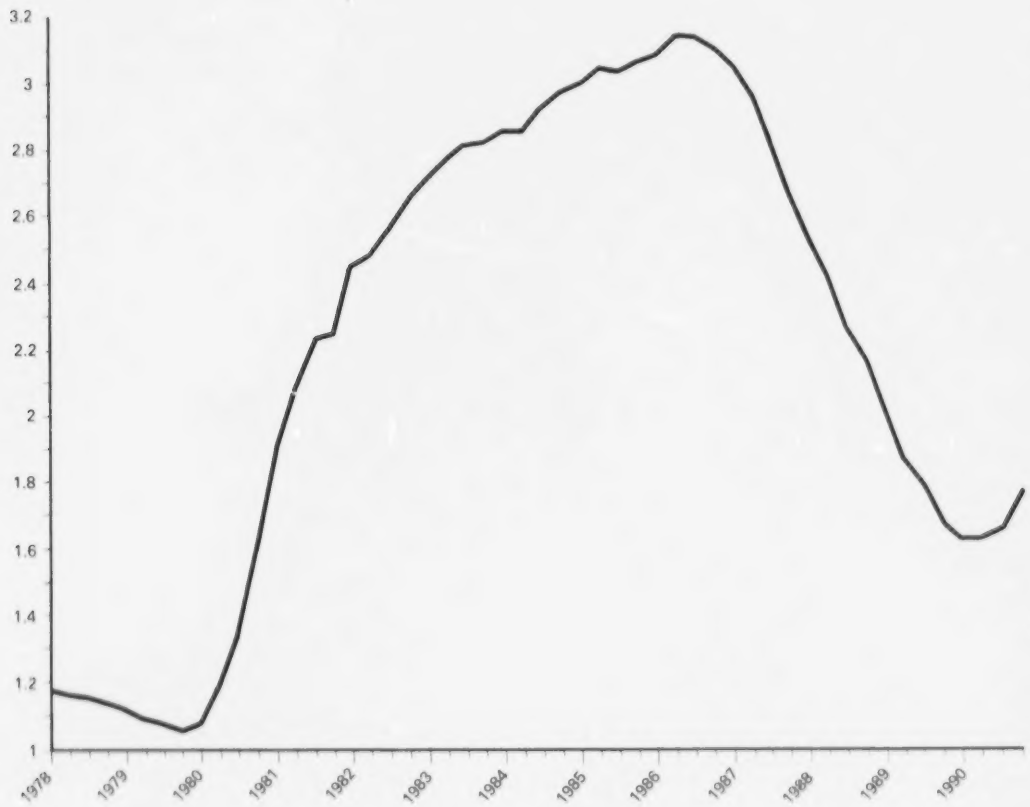
Unemployment

Through the 1980s, the cyclical movements in unemployment associated with the economic business cycle have been obscured by the fundamental structural changes which have taken place in the economy. There has been a shift in employment away from manufacturing and towards service sectors. In the early 1980s many of the job losses were in traditional industries such as mining and heavy manufacturing, where working practices tended to be rigid and cost structures had become particularly uncompetitive (in part because such energy-intensive industries were disproportionately affected by rapidly rising energy costs).

Unemployment increased from 1 million in 1980 to 2.5 million in 1982 and continued to rise, albeit at a slower rate until 1987. The rapid decline from over 3 million to 1.6 million in mid-1990 was due in large part to the marked increase in jobs created by a rapidly expanding economy. Total employment increased over 6% between 1987 and 1990, while the working population increased less than 2%. (Employment in the commercial sectors of the hotel and catering industry increased 11% over the same period.) However, total unemployment since mid-1990 has begun to rise again (see Figure 14).

Although the impact of unemployment has fallen disproportionately heavily on some sectors, such as pubs and clubs, and on the regions with the stronger manufacturing base, it is nevertheless a factor whose influence pervades all sectors. This is because it affects not only all consumer spending, but spending on more discretionary items in particular, both directly through the pay packet and more indirectly through consumer confidence. It also affects the uptake of meals at work and thus industrial and office in-house and contract catering. Since unemployment in the current recession has affected both manufacturing and service sector employment throughout the UK, the effects of unemployment will be even more pervasive throughout the hotel and catering industry.

Figure 14
UK unemployment seasonally adjusted 1978–90 (millions)



Source: Department of Employment

Exchange rates

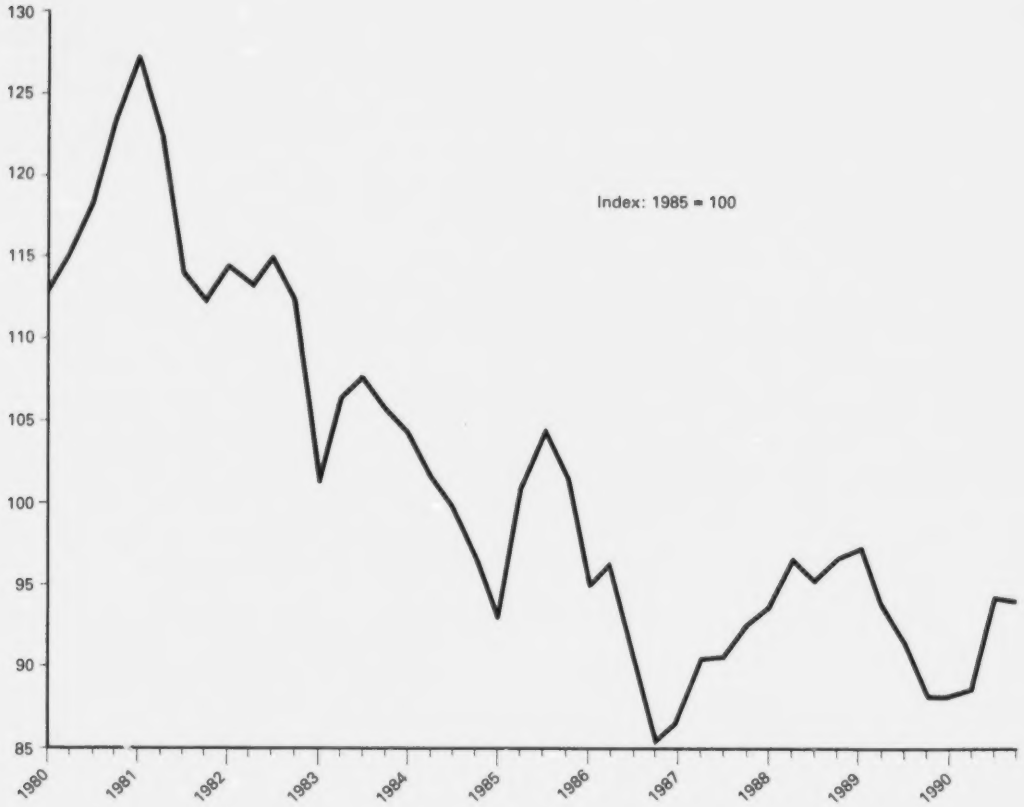
The level of the exchange rate affects demand for hotel and catering services, and hence employment in the commercial sectors, in two mutually reinforcing ways. When sterling strengthens, visits to the UK by foreigners become more expensive so that fewer tourists come here and those that do spend less. At the same time foreign holidays for UK residents become cheaper so more of them are likely to go abroad. Both tendencies imply a reduction in spending on UK hotel and catering services and lower employment. Conversely, when sterling weakens more foreign tourists and more domestic holidays by UK residents result in an increase in industry employment.

In the modelling process the average value of sterling against a basket of currencies proved a better variable in determining hotel and catering employment than the £:$ rate. While 20% of foreign tourists in 1989 came from North America, over 60% travelled from Western Europe. The destination of almost 85% of UK residents who went abroad was another Western European country, with only 7% going to the United States.

Figure 15 shows the movements in the exchange rate through the 1980s. The trend since 1981 has been downwards with occasional periods of strength in 1985, 1988 and late 1990.

The importance of the exchange rate lies not so much in affecting the trend in hotel and catering employment, which is largely determined by personal income and spending growth, but in explaining movements or volatility around the trend. Also, although the exchange rate's main direct influence is on foreign and domestic tourism (given that sterling's effect on the economy comes through more directly via consumer spending), it is not the most important influence. For both foreigners and UK residents the most important factors behind the increase in foreign travel are the growth in real incomes, the price of air and sea fares and international trade as it affects business travel.

Figure 15
Sterling's effective exchange rate 1980–90



Source: Bank of England

Forecasting assumptions

Towards the end of the 1980s, it became clear that the economy was growing at a rate which was incompatible with low inflation. The government increased interest rates in order to slow the economy down. Although raised interest rates took a long time to work, in time they did. For much of 1990, it looked as though the economy was slowing gently and would achieve its famous 'soft landing' (which is not to say that some sectors such as housing — did not feel the squeeze more than others).

But on August 2nd, Iraq invaded Kuwait, business confidence collapsed and the UK economy was tipped over into a full-blown recession. The subsequent war, the threat to air travel, and bitterly cold weather in February 1991, all served to exacerbate an already serious situation. The collapse in international travel had a particularly devastating effect on all business travel and tourist-related enterprises, including, of course, hotel and catering.

The pattern of recovery from any recession is very hard to predict, just as each recession follows its own particular downward path. As this report goes to print (March 1992), all the signs are that the economy is 'bumping along the bottom'. It does, however, look as though the domestic economy has reached bottom, and that there will be some degree of recovery in the course of 1992.

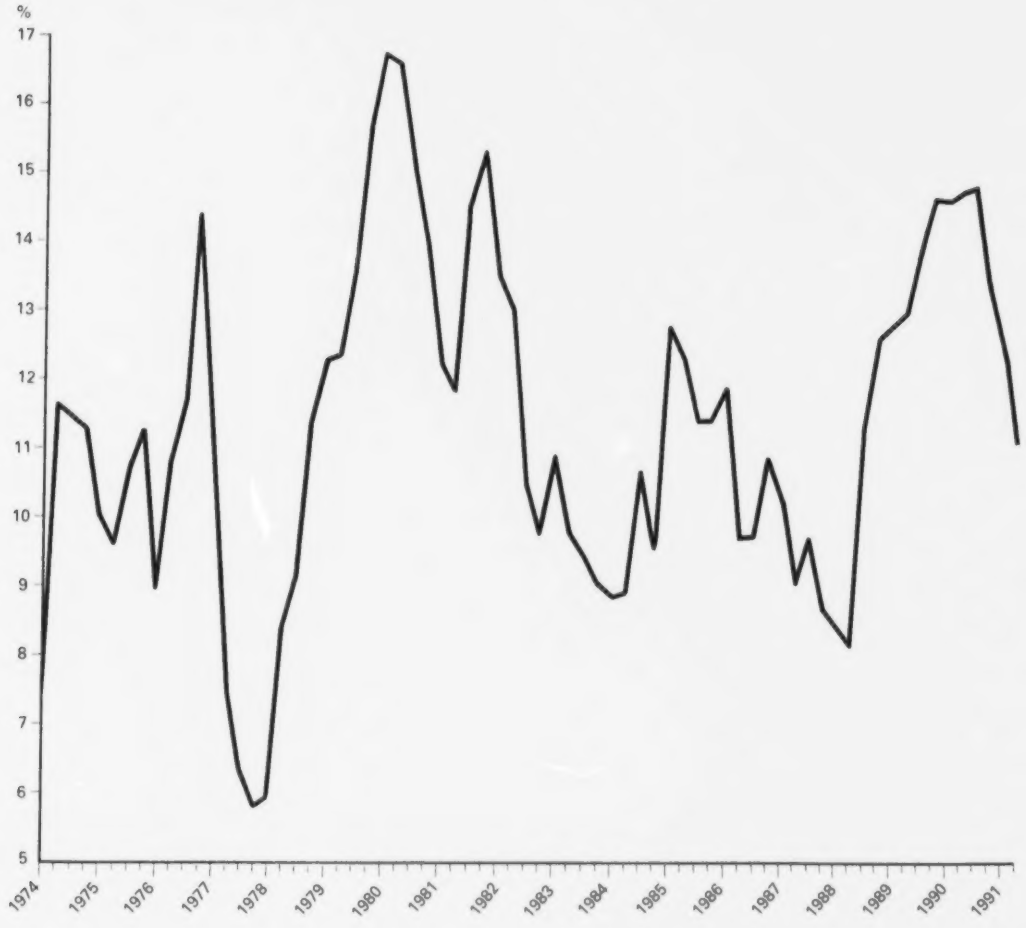
The economy is expected to get back to where it was in something over two years, not four as happened in 1980/81. This is for three main reasons:

- The CBI survey of business confidence has hitherto been a good indicator for economic turning points. This indicator moved up sharply after the cessation of hostilities in the Gulf. Although business confidence slipped back a bit in the latest survey, this was still not disastrously so (see Figure 16).
- Interest rates are on a downwards track, whereas in the last two recessions they went back up again for a sustained period (Figure 17).
- The world economy, although slowing very sharply, has not actually fallen this time.

Figure 16
Changes in CBI business confidence and the economy

Source: CBI, CSO

Figure 17
Interest rates (3-month Treasury Bill yield)



Source: CSO

Overall, although the economy is currently in the throes of the steepest downturn since the early 1980s, this extended period of adjustment to unsustainable rates of growth experienced in the late 1980s will be followed by a more sustainable level of demand and broadly-based economic growth will resume, through to the end of the 1990s.

Evidence is mounting that the economy reached the trough of the recession in the second quarter of 1991, but with little or no growth in the third quarter. The most recent business and consumer confidence surveys support the view that the economy in the final quarter of 1991 will be weak, and that 1991 as a whole will record a fall in GDP of nearly 3%. Although real *GDP or domestic output* growth of only 1% is now expected for 1992, and there is likely to be another cyclical downturn between now and the end of the century, output growth is expected to average 2.5% per year until the end of the decade, below the 4% recorded in the boom 1985-89 period, but close to the average for the 1980s as a whole (Table 4).

The strengthening growth in output during 1992 is underpinned by some recovery in *consumer spending*. The continuing rise in unemployment will restrain the growth in real personal incomes, but cuts in interest rates and falling inflation should continue to support a revival in consumer confidence, leading to a gradual fall in the savings ratio, which consequently boosts spending. It is undoubtedly a major risk to the forecasts for 1992 if consumers continue to pay off previous debts at the current rate rather than taking on new ones. If this happens, then the recovery will be postponed to 1993. However, in the base forecasts presented here, consumer spending as a whole is expected to grow 1% in 1992, in line with similar growth patterns after the previous two recessions. From 1993 onwards, consumer spending is expected to follow the steady rise in incomes fairly closely as the savings ratio (proportion of income saved) returns to a level which is likely to prove relatively stable. As with economic output, consumer spending is forecast to rise by around 2.5% per year over the rest of the 1990s.

The squeeze on the company sector has been intensifying over the last two years. Although the move into deficit in 1988 was largely voluntary, as companies borrowed to finance a boom in capital expenditure, in the last two years the deterioration has gathered pace in the face of weakening demand and falling profits. Debt repayments have also become onerous with the monetary squeeze keeping interest rates high. The current retrenchment on costs is evident in lower spending

Table 4
Key economic forecasts (annual % change)

	1990	1991	1992	1993	1994	1995	1995/99
GDP[1]	0·4	−2·6	1·3	2·6	2·7	2·5	2·5
Consumer spending[1]	0·9	−1·9	0·9	2·5	3·0	2·5	2·5
Sterling	−1·5	−2·0	−1·0	−1·0	−1·0	−0·5	Nil
Interest rate	14·5	11·2	10·0	9·0	8·5	8·0	6·0
Inflation rate	9·9	5·5	4·5	4·0	4·0	4·0	6·0
Unemployment (numbers)	1·7 m	2·3 m	2·7 m	2·8 m	2·6 m	2·4 m	1·7 m

[1] In real, inflation-adjusted terms.

on stocks and investment as well as in the rise in unemployment, and is likely to continue in 1992.

During 1992 profits should start recovering as output and demand strengthen, and the corporate sector's financial position will begin to improve, as interest rates continue to fall and unit labour costs are brought down. A turnaround in stockbuilding is expected during this year, typical of this stage in the economic cycle. Growth in investment, however, is unlikely to begin much before 1993.

Membership of the Exchange Rate Mechanism (ERM) and the commitment to maintain an exchange rate within fixed bands is expected to result in greater wage flexibility, over the medium term, as the trade-off between excessive wage settlements and rising unemployment becomes apparent. Sterling is not expected to be devalued within the ERM and its average value against a basket of currencies is forecast to remain broadly stable over the next few years.

Membership of the ERM is also expected to exert a stabilising influence on broad economic policy. With sterling tied to the Deutschmark (DM) and the other European currencies, there is little scope for excessive spending.

The rise in unemployment since mid-1990 is expected to continue for another 12 to 18 months and reach nearly 3 million in mid-1993. As output resumes a moderate growth path from 1993, unemployment will start falling again, although it is likely to remain above 1.5 million throughout the 1990s.

Employment forecasts

The employment forecasts for the commercial sectors of the hotel and catering industry, based on the assumptions set out above, show employment falling in 1991 and 1992, under the influence of the Gulf war and economic recession, to recover slowly in 1993 (Figure 18 and Table 5).

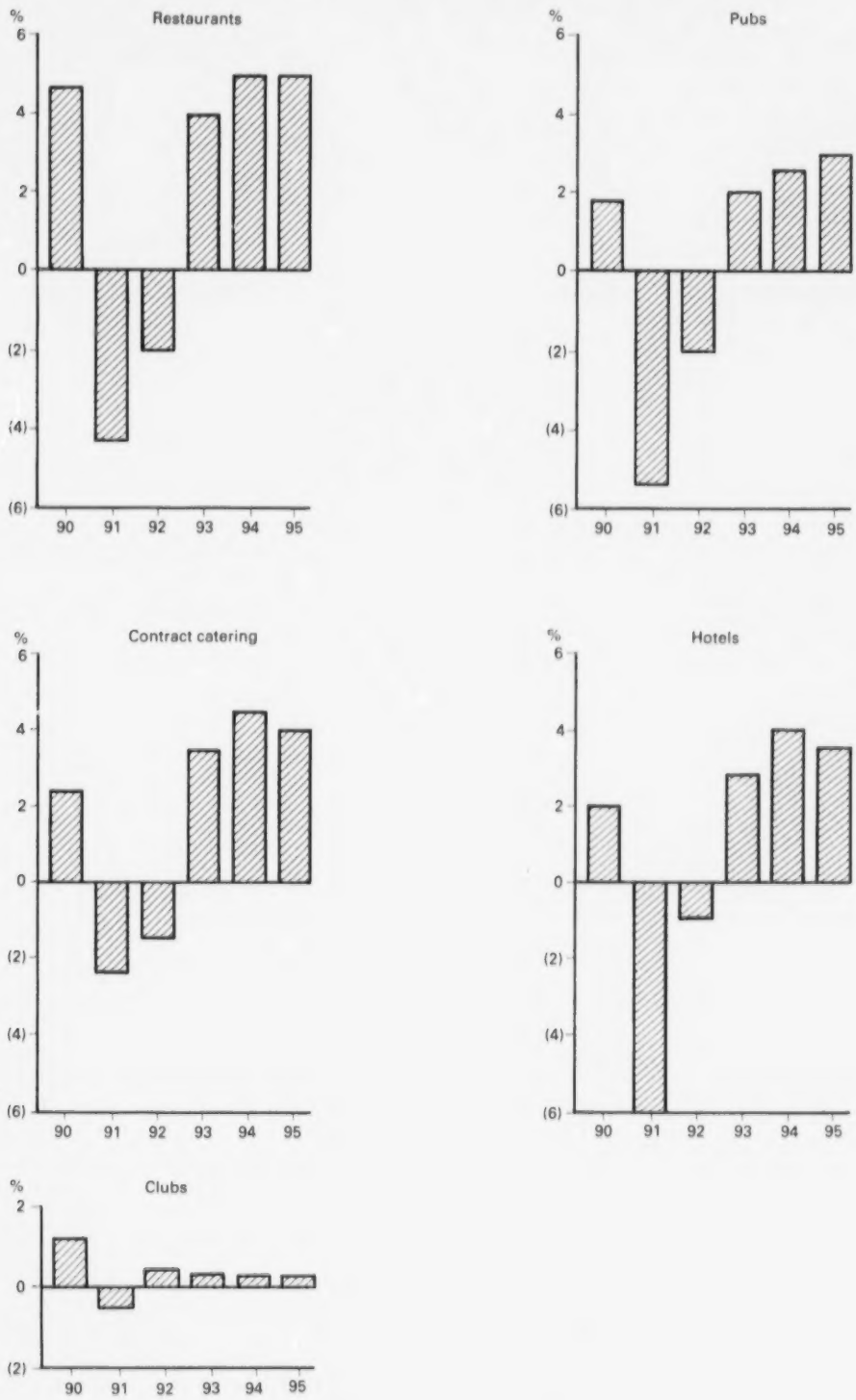
In the longer term, the forecasts show clearly that in this decade, as in the 1980s, the most dynamic sectors in terms of employment are likely to be restaurants and contract catering. Pubs and hotels will show steady but slow employment growth while few new jobs will be created in the club sector. The implication of these trends is that a steadily increasing share of total sector employment will be accounted for by restaurants and contract catering, while the proportion of jobs in the other sectors shrinks. In particular, the proportion of jobs in the restaurant sector will rise from 25% in 1990 to over 28% by 1999, making it the largest single sector.

Restaurant sector employment will respond strongly to the positive forecasts for real incomes and consumer spending growth from 1993 onwards. The resumption of rising prosperity will continue to be associated with higher discretionary spending and increased demand for food prepared outside the home. In particular, fast and take-away food outlets are expected to increase their penetration throughout the country as well as throughout household income groups. How far this latter trend will result in increases in employment depends on how much scope remains for increasing labour productivity at the rate experienced in recent years. For instance, significant increases in sit-down meals consumed in such outlets may require higher levels of employment.

Conversely, the slower growth rate for **hotel** employment reflects the maturity of the industry as well as a degree of saturation. The hotel sector exhibits a much lower response to personal income and general economic growth. As personal wealth has increased, all British citizens across all social groupings tend to take holidays abroad. Meanwhile, improved air, road and rail communications and tighter cost controls serve to limit the growth in business hotel trade within the UK. Although special deals on out-of-season, weekend breaks and so forth, as well as targeting conference business, provide opportunities in the domestic sector, the principal growth potential lies with foreign visitors. This area is vulnerable to external shocks, and the relative stability of the exchange rate over the forecast period exerts a neutral effect on employment prospects.

The slow growth rates for **pubs**, and to a greater extent **clubs**, reflect trends away from traditional drinking activities and outlets. Although the proportion of pub turnover accounted for by meals grew from 9% in 1977 to 20% in 1988, the provision of this food, especially with the advent of microwaves and prepared convenience foods, tends not to be labour intensive. Furthermore, between 1977 and 1988, the share of restaurant turnover contributed by drink sales increased from 24% to 33%, indicating the shift in consumer preferences towards alcohol consumed in establishments classified as restaurants. Only if a pub changes its predominant activity from pub to restaurant, will its employment be classified as restaurant rather than pub. Thus, the slow growth in pub employment is primarily a reflection of the slow growth in demand for its products and services, rather than a shift in definitions from pubs to restaurants.

Figure 18
Hotel and catering employment forecasts 1990–95 annual % growth



The forecasts suggest that **contract catering** employment will continue to grow. This will be at the steady rates of the late 1980s, rather than the boom rates of the early 1980s, reflecting the growing maturity of the sector. The forecasts are based on the assumption that significant scope still exists for switching from in-house catering to outside contractors as well as an increase in the business generated by the long-term expansion of staff restaurant provision.

Overall, these forecasts imply that employment in the commercial sectors will increase by 56,000 up to 1995 and by 134,000 up to 1999.

Table 5
Employment forecasts: commercial sectors 1990–99 (thousands)

	1990	1995	1999	1995–90 No.	1995–90 %	1999–95 No.	1999–95 %
Restaurants	281	311	350	+30	+10·7	+39	+12·5
Pubs	286	290	300	+ 4	+ 1·4	+10	+ 3·5
Clubs	145	146	148	+ 1	+ 0·8	+ 2	+ 1·1
Hotels	281	286	295	+ 5	+ 1·8	+ 9	+ 3·2
Contract catering	131	147	165	+16	+12·1	+18	+12·3
Total commercial sectors	1,124	1,180	1,258	+56	+ 5·0	+78	+ 6·6

Risks to forecasts

The major risks to these forecasts are clearly on the downside. While it remains very unlikely that the world economy as a whole will topple over into recession, there is considerable concern as to the length and depth of the recession in the UK.

The main negative difference with the previous two recessions is the extent of indebtedness, both of private individuals and of companies. There is a major risk that any improvement of the economic position will be used to pay off some of this debt rather than to spend on consumer goods and services, or on business investment of any kind (including travel and entertainment). If this occurs to a very marked degree, and if, in addition, world economic growth remains sluggish, then the economy will bump along the bottom for longer, and not recover so strongly thereafter.

Although the longer term employment forecasts (to 1999) should come back to the base forecast level (depending on the precise timing of the next cyclical downturn), a more prolonged recession now is likely to reduce the employment levels forecast for 1995. On this more pessimistic view of the medium-term economic prospects, employment in the commercial sectors is likely to fall more both this year and next, and reach 1,132,000 by 1995, that is a rise of only 9,000 people, or 1%, between 1990 and 1995.

If the whole economy bounces back faster than most commentators expect, then employment in the commercial sectors may be as high as 1,226,000 by 1995, that is a rise of 103,000 employees, or 9%, between 1990 and 1995.

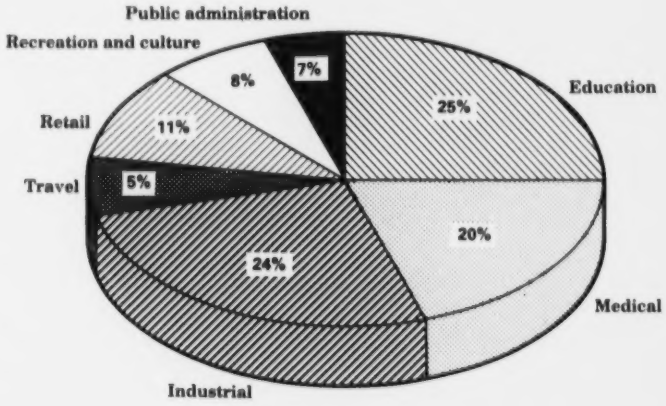
CATERING SERVICES SECTORS

Recent trends

Employment in the catering services sectors has grown only very slightly between 1987 and 1990 (see Tables 3 and 6). The different sectors have experienced rather different patterns of growth, with falls in industrial and travel, for example, being counterbalanced by growth in retail, recreation and, perhaps more surprisingly, education employment.

More than 1 million people were employed in 1990. Around half of this employment was in the education and medical sectors, about a quarter in the industrial sector (providing in-house catering for industry and offices), and a tenth in the retailing sector (Figure 19). (Retailing, in this sense, refers to staff canteens within the major retailing outlets, and also catering facilities provided to shoppers in these outlets.)

Figure 19
Employment in catering services sectors 1990



Source: Labour Force Survey

Table 6
Employment in the catering services sectors 1990 (thousands)

	Catering	Domestics and housekeepers	Total[1]
Education	93.9	187.1	281.0
Medical	73.9	258.8	332.7
Industrial	88.6	157.5	246.1
Retail	43.5	5.8	49.3
Recreation and culture	31.6	1.8	33.4
Public administration	25.7	16.8	42.5
Travel	20.2	0.5	20.7
Total	377.4	628.3	1,005.7

[1] Excludes personal sector employment 1990, approx. 100,000.
Source: Labour Force Survey.

Forecasts

Table 7 shows forecasts up to 1999 of employment in the catering services sectors excluding domestics and housekeepers. Based on projections of economic activity in conjunction with assumptions about, and trends in, sector-specific variables, an additional 6,000 jobs will be created up to 1995, and 12,000 up to 1999.

Education employment is forecast to increase at a rate of about one thousand people a year throughout the 1990s. This reflects growth in numbers to feed as the total number of school children is projected to rise from 9 million in 1990 to almost 9.5 million by 1995 and just under 10 million by the end of the decade. Partly as a function of this demographic affect and partly as the result of continuing policy moves to expand and encourage higher education, student numbers will also increase to over 1 million by the end of the decade. Despite the opening up of catering services to competitive tendering, employment in the sector has increased over the last five years. This suggests that there is likely to continue to be some growth in employment in this area in the years to come.

In 1989 around 60% of catering staff in the **medical** sector were employed in hospitals and nursing homes. The remainder worked in other health and community services which include residential homes for the elderly, mentally ill and handicapped, as well as day-care facilities. Through the 1980s, efforts to improve efficiency and reduce over-staffing meant that hospital catering staff declined, despite an increase in the number of patients and a rise in the number of private hospital beds. In the other health sectors there were more catering jobs as a result of the growth in numbers of residential homes, and the rapid increase in 'meals on wheels' and day-centre provision. On balance, catering jobs in the medical sector are forecast to show moderate growth through the 1990s with the shift away from hospital to other health service sectors continuing.

Table 7
Employment forecasts: catering services sectors excluding domestics and housekeepers 1990–99 (thousands)

				1995–90		1999–95	
	1990	1995	1999	No.	%	No.	%
Education	94	100	104	+6	+ 6.3	+4	+ 4.0
Medical	74	76	78	+2	+ 2.7	+2	+ 2.9
Industrial	89	81	73	−8	− 9.0	−8	− 8.2
Retail	44	47	49	+3	+ 7.1	+2	+ 6.0
Recreation and culture	32	35	39	+3	+14.9	+4	+12.7
Public administration	26	26	27	0	+ 2.7	+1	+ 1.1
Travel	20	20	21	0	+ 1.0	+1	+ 1.0
Total catering services sectors	379	385	391	+6	+ 1.6	+6	+ 1.6

The **industrial** sector is the only one in which employment is expected to decline over the forecast period. While demand for catering services will grow in line with economic performances and numbers employed, the trend towards using contract caterers implies the continuing demise of in-house provision.

The forecast for relatively buoyant growth in the **retail** sector is based on continued steady growth of consumer spending and a continuing trend towards shopping centres and superstores.

Relatively small at present in terms of numbers employed, and depressed under the impact of rising unemployment, falling consumer spending and low confidence, the **recreation and culture** sector is expected to recover quickly in the 1990s. Rising real incomes, increased leisure time, the widening preoccupation with health and fitness, all point to greater investment and participation in the longer term, and consequently increasing demand for catering services.

The drive to improve efficiency and productivity in public and local government services, exemplified by the competitive tendering of local authority services, will dampen growth in overall numbers employed in **public administration** relative to the growth in services provided. Consequently, the increase in catering jobs through the decade will be slow; indeed there may be reduction if contracting out continues apace.

Catering jobs in **travel** have declined in recent years as provision, especially on the rail network, has been taken over by operators from the hotel and catering commercial sectors.

This trend will continue, affecting road and sea travel too. Over two-thirds of catering jobs are now associated with air travel, where UK airlines face increasing competition for passengers. In the longer term, marginal growth is forecast, following a recovery from the impact of the Gulf war on international business travel and tourism.

Table 8 shows forecasts up to 1999 of total employment in the catering services sector including domestics and housekeepers. An additional 14,000 jobs is expected up to 1995, and 28,000 up to 1999.

Table 8
Employment forecasts: catering services sectors including domestics and housekeepers 1990–99 (thousands)

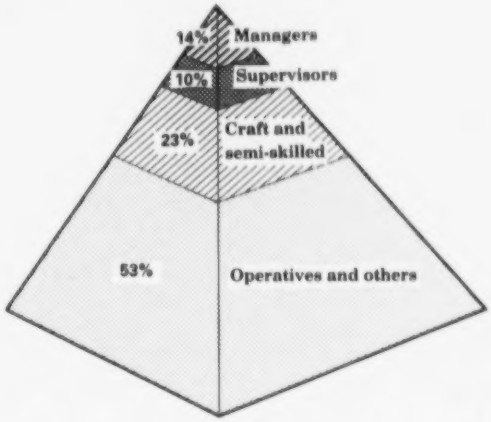
				1990–95		1990–95	
	1990	1995	1999	No.	%	No.	%
Education	281	299	311	+18	+ 6.3	+12	+ 4.0
Medical	333	342	352	+ 9	+ 2.7	+10	+ 2.9
Industrial	246	224	206	−22	− 9.0	−18	− 8.2
Retail	49	52	56	+ 3	+ 7.1	+ 4	+ 6.0
Recreation and culture	33	38	43	+ 5	+14.9	+ 5	+12.7
Public administration	43	44	45	+ 1	+ 2.7	+ 1	+ 1.1
Travel	21	21	21	0	+ 1.0	0	+ 1.0
Total catering services sectors	1,006	1,020	1,034	+14	+ 1.6	+14	+ 1.6

JOB CATEGORIES

The distribution of the industry's workforce by job level follows a typical pyramid structure (Figure 20). When clerical jobs are excluded, 53% of the workforce in 1990 were in operative and other positions, 23% in craft and semi-skilled. Managerial and supervisory jobs accounted for nearly a quarter of all jobs.

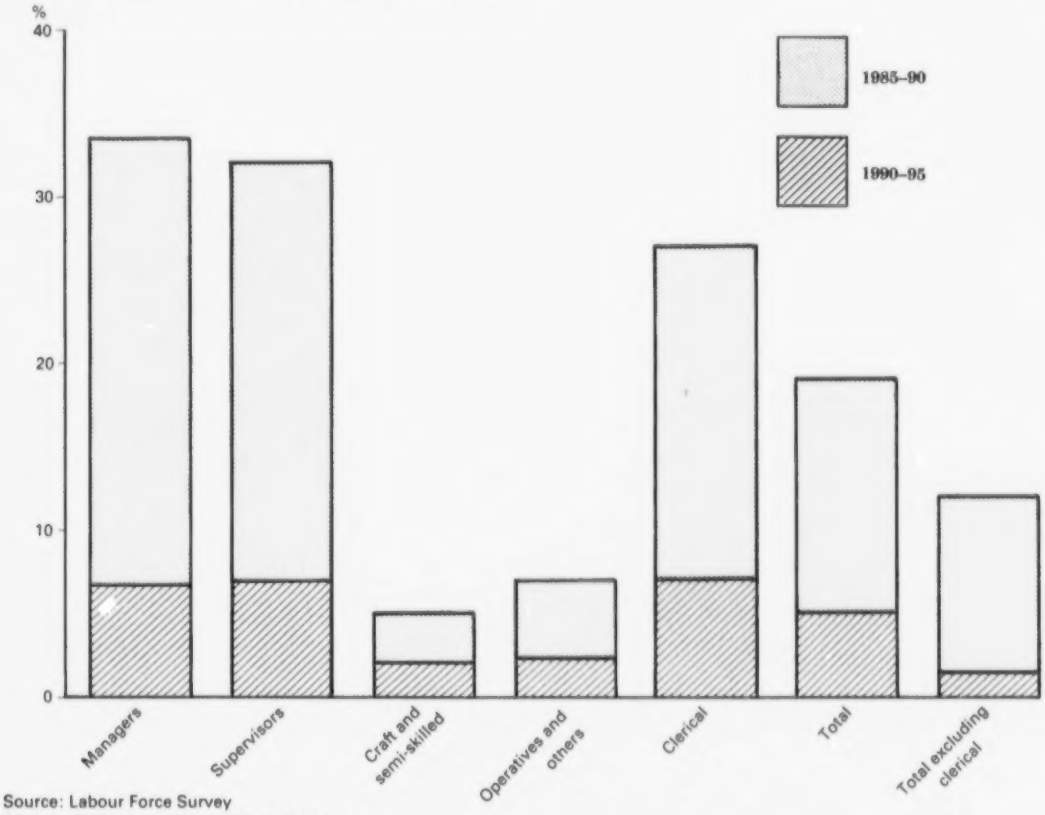
As the industry has matured, so there has been a rapid increase in managerial and supervisory jobs. Clerical jobs have also increased significantly. These trends are expected to continue over the next five years, albeit at a rather less dramatic rate (Figures 21 and 22).

Figure 20
Hotel and catering employment by job level 1990



Source: Labour Force Survey
Note: includes domestics and housekeepers but excludes clerical jobs

Figure 21
Growth in hotel and catering employment by job level



Source: Labour Force Survey
Note: includes domestics and housekeepers

EMPLOYMENT FLOWS

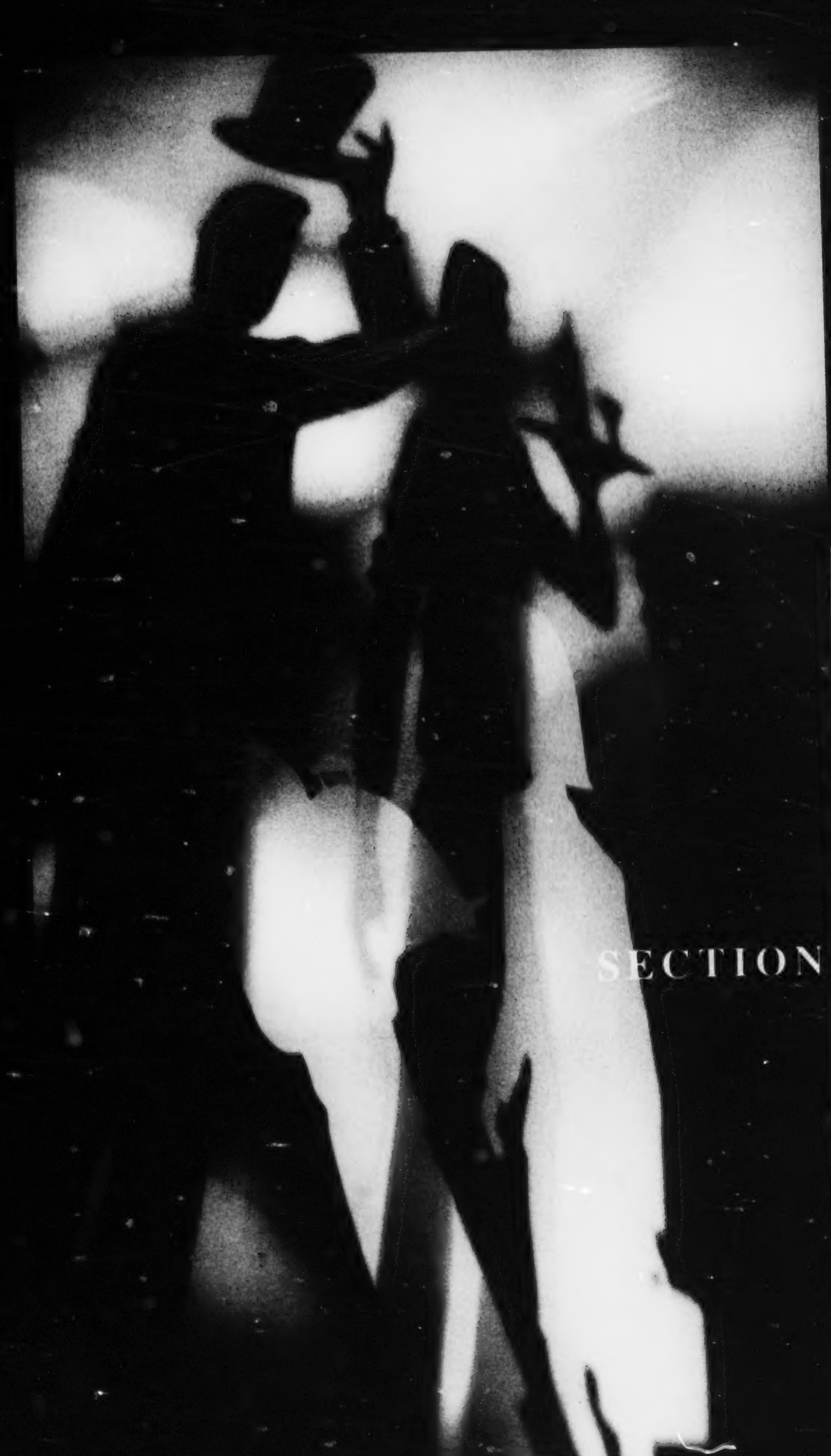
Over the period 1990–95, the industry will lose an average 640,000 per year through retirement and net losses (Table 9). Most of this wastage will be at craft level (104,000) but a substantial amount will also occur at supervisory and managerial level (31,000 and 25,000 respectively).

When turnover to other sectors within the industry, and turnover within the same sector are taken into account, the industry will be looking to fill an average of 1.2 million vacancies each year to 1995 (63,000 managers, 91,000 supervisors, 259,000 craftspeople, and 747,000 at operative level). Some of those who appear to leave the industry permanently will undoubtedly return to it later. But there is as yet no available estimate of the balance between temporary and permanent losses. Further detailed work is being carried out by HCTC on manpower flows and labour turnover.

Table 9
Employment flows in the hotel and catering industry 1990–95 (thousands)

	Managers	Supervisors	Craft and semi-skilled	Operatives and others	Total[1]
Average number of employees	308 (14%)	220 (10%)	495 (23%)	1,142 (53%)	2,165 (100%)
Average annual losses from industry[2]	25 (8%)	31 (14%)	104 (21%)	480 (42%)	640 (30%)
Average annual growth	4	3	2	5	14
Average annual replacement needs	29	34	106	485	654
Turnover to other sectors within the industry[2]	22 (7%)	24 (11%)	74 (15%)	114 (10%)	234 (11%)
Turnover within the same sector[2]	12 (4%)	33 (15%)	79 (16%)	148 (13%)	272 (13%)
Average annual vacancies	63	91	259	747	1,160

[1] Excludes self-employed, personal employment, domestics and housekeepers.
[2] From *Manpower Flows in the Hotel and Catering Industry*, HCITB, 1984.



Skills and training needs of the **hotel and catering** industry - now and in *the future*

SECTION *Four*

HOTEL & CATERING TRAINING COMPANY

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METHODOLOGY

Five main approaches were used to establish the skill and training needs of the industry now and in the future (see *Objectives and Methodology*):

- a nationwide network of interviews with owners, employers and managers in many different types of establishment in the industry. These focused on external factors affecting staffing, management expectations of their staff, qualifications held by staff and looked for by management, and training activity
- focused personal interviews with personnel specialists at the head offices of nine large multiple catering organisations. These looked at training policies and delivery, analysis and evaluation of training needs, staff development, training provision and qualifications
- statistics collected from the main awarding bodies offering hotel and catering qualifications
- a review of national training statistics in order to place the hotel and catering industry in the context of what is happening throughout the British economy. Sources included *Training Statistics* published by the Employment Department and the 1989 Manpower Services Commission report *Training in Britain — A Study of Funding, Activity and Attitudes* which provided a great deal of information on vocational education and training, and particularly on employers' training activities, not previously available
- a postal questionnaire sent to heads of department responsible for virtually all the hotel and catering courses offered at colleges in the UK — 82 questionnaires were received back out of 280, a 29% response rate. These replies were well spread across the different types of educational institutions in terms of size and qualifications offered.

The results of each are now presented.

NATIONWIDE INTERVIEWS

External factors affecting staff

The period of substantial growth in revenues and employment experienced by the hotel and catering industry has been accompanied by a greater emphasis on customer care and quality of service, as well as substantial changes in the structure of certain sectors. There has also been an increasing focus on nutrition and health, and a need to respond to changes in legislation and licensing laws.

Clearly, all these factors (detailed in Table 10) have had major implications for staff recruitment, training and motivation over the last few years.

Looking to the *future*, and beyond the current recession, the most important factors singled out by interviewees in the nationwide survey as likely to affect staffing requirements (Tables 11 and 12) were:

- ever greater emphasis on customer care and quality of service
- need to respond to the competitive environment, and competitive marketing activity, in which the whole area of customer service and the link with corporate identity, is of critical importance
- greater need to deal with foreign visitors
- greater automation
- increasing use of bought-in, ready prepared food
- stricter food hygiene laws, as caterers work out how they can best respond to the Food Safety Act 1990 and regulations made under the Act.

Table 10
Factors affecting staffing last 3 years (% of establishments)

Greater emphasis on customer care/ quality	33	Increased with establishment size; highest contract catering (71%) and pubs (47%); only 4% industrial
Greater emphasis on nutrition/health etc.	31	Over 50% contract catering and government etc.; under 20% restaurants, clubs and leisure
Budget restrictions	29	57% contract catering, hotels and clubs both 15%
Changes in legislation/licensing laws	27	50% pubs, 44% contract catering
Staff recruitment/motivation problems	22	Over 30% hotels, contract catering and government
Expansion	20	Hotels 31%
Change in volume of tourism	19	Over 25%, hotels, restaurants, clubs
Introduction of new technology	12	
Demographic — fewer young people	8	
Wage demands/industrial action	8	Contract catering
Company takeover	7	
Business diversification/geographical move	5	Clubs and leisure 18%
Other	12	

Table 11
Factors affecting staffing next 4 to 5 years (% of establishments)

	A great deal	Quite a lot	Total
Greater automation	7	17	24
Brought-in ready prepared food	5	14	19
Moves towards self-service	2	5	7
Moves towards added-value services	6	23	29
Greater need to deal with foreign visitors	10	19	29
Longer opening hours/less seasonality	4	11	15
Greater standardisation of services/increased branding	3	8	11
Diversification of activities	3	7	10
Other	2	3	5

Table 12
Future problems affecting staffing (% of establishments)

For all establishments		**Main problem by sector**	
Stricter health/hygiene laws	34	Hotels: recession/more competition	22
Recession/more competition	16	Restaurants: demographic changes	30
Regulations on working hours	12	Pubs: stricter health/hygiene laws	39
More/better training required	12	Clubs: recession/more competition	18
Recruitment and turnover problems	9	Leisure/travel: stricter food hygiene laws	71
Demographic — fewer young people	7	Industrial: stricter food hygiene laws	30
Higher pay needed	6	Government/health/education: stricter food hygiene laws	80
Other	26	Contract catering: stricter food hygiene laws	60

Management expectations of staff

Only 25% of respondents in the nationwide survey felt that their expectations of their staff were fully met. As Figure 22 shows, dissatisfaction was most pronounced in restaurants, pubs and contract catering.

Satisfaction with staff actually decreased with size of establishment, that is, the largest establishments were least happy with their staff (Table 13). This is perhaps a reflection both of higher expectations and also of the difficulties of controlling all areas of the operation in larger enterprises. Most frequently mentioned shortcomings were to do with personal qualities, delivery of the product/service, team working and customer relations (Figure 23). Only in finance/administration was there any less dissatisfaction. Personal qualities was the most cited shortcoming across all sectors.

Respondents were questioned further on the qualities making up performance on each area of shortfall, but these detailed factors have a much lower incidence (Table 15). Respondents were apparently more able to identify general shortcomings, than to differentiate between the specific factors within them.

To some extent, of course, these responses by managers may be inevitable in an industry where the delivery of the product and the level of service are so directly dependent on the activities of small numbers of staff inter-acting very closely, and in many different locations, with the customer. The quality of the end-product is, of course, largely subjective and judgemental. It is also true that the people interviewed in the nationwide survey were at the sharp end, directly responsible for the successful coordination of their staff's activities, and thus most sensitive to any areas of weakness. Nevertheless, these levels of management dissatisfaction with their staff must represent a major difficulty in the smooth running of the industry.

The various shortcomings showed a similar profile when analysed by sector and job level. Table 16 details the results for personal qualities. Most dissatisfaction occurred with:

- hotel managers, and skilled staff
- industrial supervisors and skilled staff
- public sector unskilled personnel

and lower than average dissatisfaction with:

- club managers
- pub supervisors
- leisure/travel skilled personnel
- Youth and Employment Trainees in most of the sectors.

Notably, the gap in management expectations of staff was smallest for Youth/Employment Trainees. This suggests that in this area, at least, the tasks being asked of YT/ET staff were well matched to their capabilities. It must also reflect, to some extent, the fact that management have been personally responsible for the on-the-job training of YT/ET placements.

Overall, shortcomings most often related to the skilled category (62%), followed by supervisors (54%) and 'other' (unskilled) (55%). Comparing these proportions with the availability of qualified staff (Figure 24), indicates that formal qualifications positively correlate with improved performance. Indeed there is a real perceived need for formal qualifications in those skill areas where employers currently experience significant dissatisfaction.

Looking specifically at the shortcomings of new recruits, a fairly high level of satisfaction was expressed (Table 16). This supports the view that management expectations of new recruits is fairly well in line with reality.

Table 13
Expectations of staff fully satisfied, by size of establishment (% of establishments)

1–10 employees	30
11–24 employees	16
+25 employees	10

Figure 22
Expectations of staff fully met

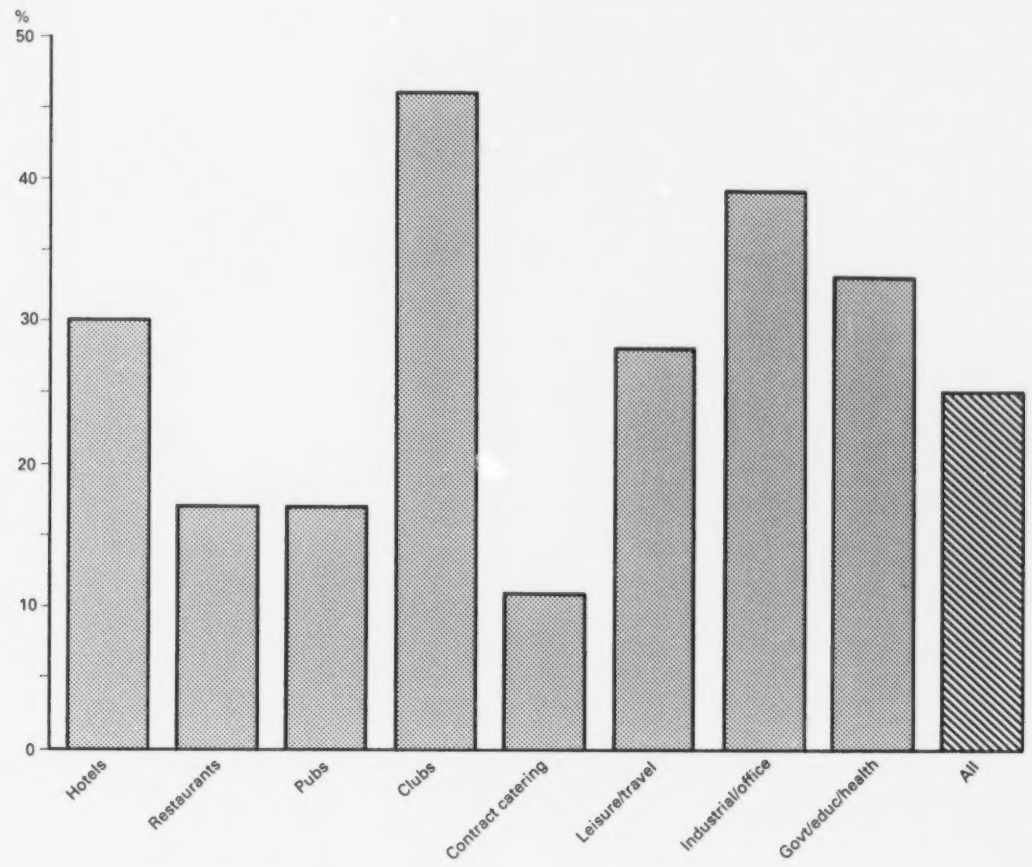


Table 14
Shortcomings of staff and contributory factors (% of establishments)

Shortcoming		**Most often cited factor**		*Notes*
Personal qualities	71	Work in organised way	23	Similar across sectors; only 5% in leisure/ industrial
Team working	63	Lead and motivate others	9	Much more important for hotels (15%)
Product/service	65	Maintain/improve standards	12	Most important for hotels and restaurants (20%)
Customer relations	56	Customer communication	16	
Rules/finance/ administration	39	Follow organisation requirements	10	Hotels and leisure (15%)

Figure 23
Expectations not met by all staff

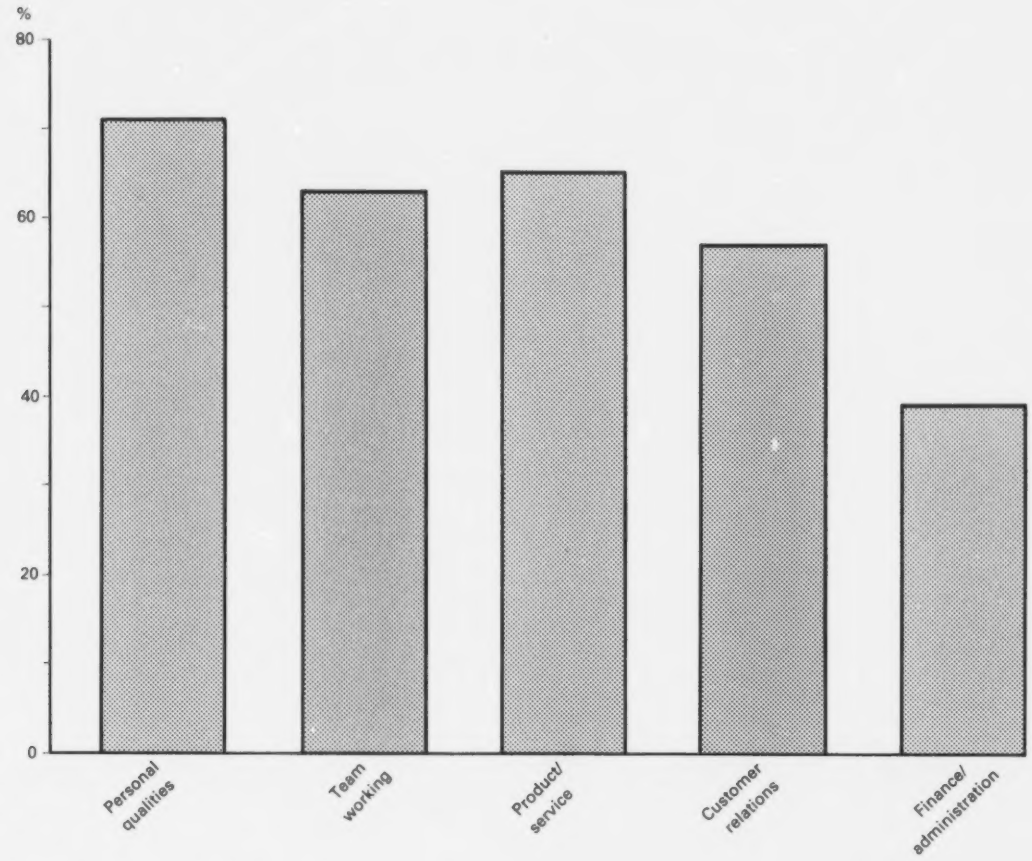


Table 15
Personal qualities as a shortcoming by job level and sector (% of larger establishments)

	Managers	Super-visors	Skilled	YT/ET	Other	Average given by total survey
Hotels	83	63	80	20	60	70
Restaurants	43	64	72	7	51	77
Pubs	38	34	45	7	58	79
Clubs	23	45	45	1	32	50
Leisure/travel	36	65	37	10	57	72
Industrial	33	89	95	46	71	61
Government/health/ education	52	48	64	2	92	64
Total	44	54	62	11	55	71

Figure 24
Personal qualities as a shortcoming and availability of qualified staff

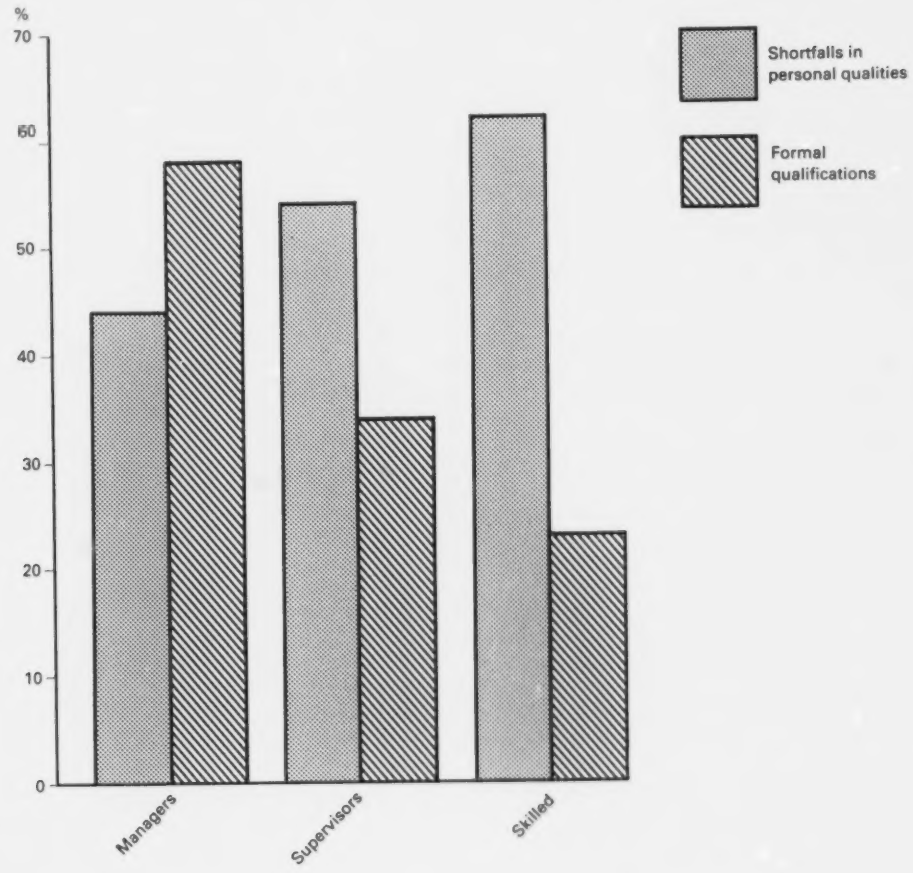


Table 16
Shortcomings of recruits (% of establishments)

Lack of experience/skills	19
Reliability/laziness	9
No initiative	5
High turnover	6
None	65

Qualifications

Over half the establishments interviewed in the nationwide survey had staff with some qualifications. (This is in line with official statistics on the qualification levels in this industry, see page 64–70.) Hotels, pubs and leisure companies had lower proportions qualified than other sectors, most notably restaurants, contract catering and the catering services sectors generally.

Specific qualifications (Table 17) were most frequently looked for when recruiting skilled staff, followed by supervisors and managers. Larger firms were most likely to specify qualifications for jobs.

Some 24% of all establishments interviewed always took notice of specific qualifications when recruiting personnel, 32% sometimes took notice of specific qualifications, 41% never did. Contract caterers and restaurants were the most likely to take notice of qualifications, and pubs and clubs the least likely. Not surprisingly, 46% of smaller organisations said they never took note of qualifications, compared with 9% of the largest establishments. The most usual reason given for taking no notice of qualifications was that qualifications were not needed for the jobs available, though a substantial number of restaurants and leisure/travel companies also stated that they carried out the necessary training in-house.

The qualifications mentioned (in relation to relevant job levels) were:

- City and Guilds (88%)
- BTEC (22%) and BTEC Highers in particular (17%)
- food hygiene certificates (23%)
- degrees in hotel and catering (3%)
- HCIMA qualifications (5%).

Unprompted awareness of the various qualifications followed a similar pattern, though BTEC and HCIMA both rated higher in awareness terms than they did in their practical application to recruitment within the industry.

Table 17
Specific qualifications sought (% of establishments)

by job level	
Managers	18
Supervisors	21
Skilled staff	26
YT/ET	1
Other	5
by establishment size	
1–10 employees	20
11–24 employees	25
+25 employees	55

Benefits of qualifications

Respondents singled out the following as benefits of job applicants holding a relevant qualification:

- gave a measure of basic skills (47%), particularly valued by public sector organisations and contract caterers
- provided a better quality of recruit (44%), particularly valued by leisure/travel companies and contract caterers
- saved time and money in training (40%), valued by smaller organisations, and also by contract caterers
- improved the quality of the organisation (37%), particularly appreciated by smaller establishments, as well as contract caterers
- provided more committed staff (26%).

The quality of job applicants who did have qualifications in comparison with those who had no qualifications at all, was felt to be substantially better by 57% of respondents. This was mentioned especially by in-house caterers, public sector organisations and contract caterers. The restaurant sector was the main exception — only 43% believed that qualifications implied a significantly better recruit.

When hotel and catering qualifications are compared with more general qualifications, the picture is similar though less clear-cut — 45% of respondents believed hotel and catering qualifications imply a better quality candidate than more general qualifications.

Qualifications sought

When organisations actually *specified* a catering qualification for recruits to a particular position, the qualifications they specified were very much in line with what was available:

- for management positions, 27% looked for BTEC Highers and 17% BTEC Nationals, 45% looked for City and Guilds, and 3% for HCIMA qualifications
- for supervisors, the main requirements were for City and Guilds (55%) and, interestingly, HCIMA (39%) (although respondents were specifically asked about qualifications, it is likely that some were thinking in terms of HCIMA membership)
- for chefs and cooks, predominantly City and Guilds, and also food hygiene certificates (6%).

Respondents' preferences for hotel and catering qualification produces a similar picture:

- popularity of BTEC Highers for managers (50%), the prevalence of City and Guilds (28%) but also the awareness and appreciation of HCIMA (23%)
- importance of BTEC National (40%) and City and Guilds (49%) for assistant managers
- City and Guilds (35%) and also HCIMA (25%) for supervisors
- prevalence of City and Guilds for chefs and cooks.

Respondents who took notice of qualifications when recruiting, were asked how important it was to have qualifications available for different levels of hotel and catering staff.

In terms of *managerial* positions, 56% of establishments believed that it was very important to have qualifications available. The restaurant sector was the only one in which a significant dissenting majority (28%) said they were not important. For supervisory staff, 79% of establishments believed that the availability of catering qualifications was important or very important, with restaurants (22%) and the public sector (31%) taking a contrary view. A similar picture emerged for craft skills. On all these questions, there was a tendency for establishments based in the south of the country to place less emphasis on qualifications — probably reflecting the difficult recruitment situation up to mid-1991, when few staff were available and fewer still had qualifications.

Significantly fewer respondents said that qualifications were important for *other*, unskilled grades, though hotels and leisure/travel companies were concerned about this area.

Caterbase

Among all the respondents who took notice of qualifications, 79% were aware of Caterbase, with particularly high levels of awareness in the north of the country. There was a significantly lower level of awareness among in-house industrial/office catering operations.

Involvement in Caterbase was much lower, with only 18% of all establishments who took note of qualifications being actively involved. The participation in Caterbase increased with size of establishment, and was spread fairly evenly across all sectors, except for the public sector.

The positive aspects of Caterbase singled out for special mention were:

- good if the individual is motivated (particularly noted by restaurants and contract caterers)
- well structured/easy to follow
- good for learning in the workplace.

The negative elements were:

- insufficient back-up (mentioned by hotels and restaurants)
- need to train supervisors as well, adding to the costs of implementation

both points being singled out by smaller establishments in particular.

Day release

A relatively low proportion (23%) of employees were expected to attend day release courses in the next academic year. The proportion increased with size of establishment. Overall it was lowest in restaurants, pubs and clubs, and highest in hotels, leisure/travel companies, in-house operations, the public sector and contract catering.

Competing qualifications

There was a fairly widespread view that catering qualifications were competing against one another. Only 36% of those who took notice of qualifications regarded them as mutually exclusive. Of those who regarded them as competing, most did not have a preference for one qualification over another.

Respondents were evenly divided between those who felt there were significant differences between colleges offering the same type of qualification, and those who believed there were not. Differences were most noted by the larger establishments.

As a whole, the survey results suggest that respondents were quite clear about what the available qualifications meant in reality. The shortfall in qualified staff has meant that these expectations have had to be adjusted. With the provision of catering and accommodation services being such a practical occupation, proven work experience remains an important criterion in the selection of staff.

Recruitment difficulties

The greatest recruitment difficulties occurred with supervisors and skilled staff (Table 18). Where qualifications were required, the difficulties were most marked for supervisors.

It seems likely (as noted earlier) that many managers are being promoted within the industry, from other managerial and from supervisory positions. In an essentially practical industry, this could be highly desirable, provided the supervisors have been given appropriate management training before promotion.

The problems of recruiting supervisors is heightened by the need to replace those who have been promoted to management. In turn, this means providing supervisory training for the craftspeople who, for the most part, will fill the gaps in the ranks of supervisors.

Opportunities to obtain qualifications in employment

Only 32% of the establishments interviewed provided staff with the chance to obtain an externally validated qualification (Table 19). Contract caterers were well above the industry average, with the public sector and restaurants also scoring quite highly. In terms of which qualifications were offered to staff, those most frequently mentioned (Table 20) included food hygiene and trainer training.

Table 18
Recruitment difficulties (% of larger establishments)

	Managers	Supervisors	Skilled	YT/ET	Other
Difficulties recruiting	16	37	30	1	23
Difficulties recruiting where qualifications required	14	26	16	—	—

Table 19
Opportunities provided to staff to gain qualifications (% of establishments)

	Opportunities provided	Some staff have
Hotels	28	42
Restaurants	38	69
Pubs	25	48
Clubs	9	27
Leisure/travel	14	43
Industrial	18	92
Government/health/education	39	62
Contract catering	79	87
Total	32	58

Table 20
Qualifications offered to staff by job level (% of larger establishments)

		Most likely to be offered	None
Managers	Food hygiene	8	77
	Other industry organisation (e.g., HCIMA/NEBSM)	5	
	Trainer training	4	
Supervisors	City and Guilds	7	79
	Trainer training	6	
	Food hygiene	6	
Skilled	City and Guilds	9	77
	Food hygiene	7	
	Trainer training	3	
YT/ET	City and Guilds and Caterbase	5	95
Other	Food hygiene	5	89
	City and Guilds	4	
	HND/degree	2	

Other training activity

Much of the training taking place in the industry did not lead to formal qualifications (Table 21).

In-house, on-the-job training aimed at all levels of staff was particularly evident, and was spread across all sectors of the industry.

Establishments where not all expectations of staff were met, were more involved in training (Table 22). This was most prevalent in the commercial sectors.

The greater commitment to training co-existed with a greater level of dissatisfaction with regard to its real benefits (Table 23), possibly because those organisations with most training were also the ones with the highest expectations of staff, and the greatest awareness of the vast potential for training.

There was more training in place, more training wanted and more training tried as establishment size increased. The belief that there was no scope for training decreased with size.

Table 21
Non-qualification training (% of all and larger establishments)

	In-house on-the-job		In-house off-the-job		Day release		Self-tuition		Courses run by outside providers		Other	
	All	Larger	All	Larger	All	Larger	All	Larger	All	Larger	All	Larger
by job level												
Managers	53	52	18	36	7	10	1	2	9	16	1	4
Supervisors	55	61	16	29	6	8	1	2	8	11	1	1
Skilled	65	72	15	22	9	9	1	—	8	8	1	1
YT/ET	43	13	11	5	9	9	1	—	5	1	—	1
Other	59	70	13	15	5	6	1	—	6	7	1	1
by sector												
Hotels	72		24		23		3		17		—	
Restaurants	75		24		33		1		13		1	
Pubs	82		21		9		3		9		2	
Clubs	72		3		—		—		3		—	
Leisure/travel	65		13		8		1		14		1	
Industrial	71		53		9		1		27		1	
Government/ health/education	55		14		15		1		11		3	
Contract catering	89		60		31		—		21		5	
Total	74		24		18		1		13		1	

Table 22
Training activity by sector (% of establishments)

	All establishments	Establishments where not all expectations of staff were met
Hotels	42	53
Restaurants	31	37
Pubs	41	49
Clubs	20	36
Leisure/travel	17	23
Industrial	23	39
Government/health/education	20	29
Contract catering	35	39
Total	35	39

Table 23
Training activity (% of establishments)

	Training in place	Would like more training	Tried but training does not work	No scope for training
All establishments	31	33	10	5
Establishments where not all expectations of staff were met	41	44	13	15
by establishment size				
1–10 employees	35	37	7	17
11–24 employees	44	59	22	15
25–49 employees	63	43	22	5
+50 employees	86	63	54	—

Training content

The subjects in which most training took place were food hygiene and safety at work (Table 24), followed by core job skills (such as cooking for chefs, setting a table and serving for waiting staff) and communications skills.

Benefits of training

Only 26% of the establishments interviewed made a formal analysis of the training needs of individual staff. Generally, training needs were assessed through informal observation, and as part of a pay or progress review.

Yet, training was the most frequently mentioned action taken by employers for dealing with staffing challenges (Table 25). Anxiety about the quality of staff emerged time and again as a major unresolved problem in the staffing area, as did the industry's image as a poor employer.

Table 24
Content of training (% of establishments)

Core job skills	37	Under 25% in hotels, clubs, industrial, around 50% in restaurants, contract catering
Communication skills	33	Under 20% in clubs, leisure/travel, government/health/education, around 40% in restaurants, pubs, contract catering
Food hygiene	72	Hotels only 50%, contract catering 94%
Account skills	15	
Staff management/leadership skills	20	
Safety at work	56	
Other	3	

Table 25
Staffing challenges (% of establishments)

Action taken to meet staffing challenges	
Increase/improve training	29
Increase job advertising	19
Employ more full-time staff	18
Employ more part-time staff	14
Higher pay	10
Provide in-house training	10
Other	20
Unresolved problems in meeting these staffing challenges	
Lack of/poor quality/difficult to recruit staff	36
Poor pay/conditions/image	35
High staff turnover	17
Poor training	6
Why these problems have been difficult to resolve	
Poor pay/conditions/image	43
Lack of/poor quality/difficult to recruit staff	25
Geographical location	14
Not enough time to recruit/deal with problems	9
Head office/management unresponsive	5
Other	24
Main problem by sector	
Hotels: staff quality and recruitment	30
Restaurants: poor pay and conditions	60
Pubs: geographical location	38
Clubs: other	92
Leisure/travel: poor pay and conditions	69
Industrial: poor pay and conditions	90
Government/health/education: poor pay and conditions	63
Contract catering: staff quality and recruitment	55

NVQs and SVQs

Awareness of National Vocational Qualifications (NVQs) and Scottish Vocational Qualifications (SVQs) was low at the time of the survey (about a year before the full framework of NVQs and SVQs was accredited).

Unprompted awareness (Table 26) was highest in government, health and education (26%), contract catering (18%) and hotels (18%), lowest in restaurants (6%) and pubs (6%). Awareness levels increased with size of establishment — 66% of those with over 50 employees, compared to 20% of those with less than 25 and 5% of those with less than 10. About 2% overall and 16% of the larger establishments had staff working towards conditionally accredited NVQs/SVQs.

About a quarter overall, and 40% of the larger establishments, thought that NVQs/SVQs would have a significant effect on their methods of dealing with the assessment and training of existing staff, or their recruitment of new staff (46% in larger establishments), or in the overall efficiency of their business (here the larger establishments were little more persuaded than the majority).

Table 26
Unprompted awareness of NVQs/SVQs (% of establishments)

	Heard of %	Any staff possess %	Any staff working towards %
Hotels	18	—	4
Restaurants	6	—	4
Pubs	6	—	—
Clubs	11	—	—
Leisure	8	3	3
Industry	11	1	1
Government/health/education	26	8	1
Contract catering	18	—	—
Average	12	1	2
by establishment size			
1–10 employees	5	—	1
11–24 employees	20	3	2
25–49 employees	38	7	3
+50 employees	66	7	16

HEAD OFFICE INTERVIEWS

The overwhelming impression was that the larger organisations had decided to address major issues of service quality and manpower recruitment, motivation and retention. They had put into place training courses, manuals and procedures which they believed were going a long way towards meeting their manpower objectives, to standards they had set for themselves.

They had carried out a careful assessment of training needs and the development (with a great deal of outside help) of in-house capabilities to meet these needs, relying on the growth and development of managers and supervisors to feed through onto the assessment and provision of training for other levels. (The fact that there was such widespread management dissatisfaction with staff at almost all levels in the establishments participating in the nationwide interviews, and also disappointment with the effects of training, suggests that these initiatives have yet to take root in the operating units of these organisations.)

There was evidence of emphasis on the development of objective measures (for example, customer satisfaction, staff turnover), in order to evaluate the benefits of training, and make the case for training up and down the company. (This is important in view of the findings from the nationwide interviews of widespread dissatisfaction with training. Measures to establish the benefits of training were not widely perceived as useful at unit level.)

Training policies and delivery

The people involved in this part of the study were, by definition, committed to training, but to a large extent so were their organisations. The degree of corporate commitment was closely correlated with the extent to which quality represented a key plank in the marketing and the corporate branding policy of the company.

The continued commitment to training as a stepping stone to quality during the period of recession is perhaps the best indicator of the extent to which training was seen as a priority, at the time of interviewing. Only a few organisations had at that stage reduced training budgets and activities. More usually, the volume of task/technical training may have reduced due to lower staff turnover levels but the emphasis on developing existing staff had been maintained.

Apart from the contract caterers which are largely centralised, the companies interviewed tended to be organised on a federal basis, with the local divisions or units having a fair degree of autonomy towards meeting their business objectives. The role of head office in these circumstances was to develop good practice statements, manuals and other documentation about operations and training, and to promote these throughout the organisation.

The ability of head office to do this effectively depended largely on the personal abilities of the central training staff and on their ability to convince local management of the benefits of training. To this end, they usually had an 'ambassador' for training within each local unit, who carried the banner on a day-to-day basis. While some local managers were resistant to the level or type of training activity suggested by head office, most were felt to have adopted the company view that their unit would benefit in the long term.

Where the local unit was too small to support a local training enthusiast or specialist, more reliance was placed on divisional or regional intermediaries. These people tended to have other issues on their agenda and so training took a lower profile.

For franchised operations, the degree to which franchisors influenced the training activities of franchisees varied according to the original contract and the operational relationships that had developed over time.

All multiple organisations concentrated their training activity on their supervisory and management staff. This was particularly the case where the general level of skill needs were very low. Generally, training and personal development were seen to be critical to the improvement of quality and staff loyalty. The drive was for greater job flexibility and enrichment in a qualitative sense even where career progression or financial rewards were more limited. Although there was acute awareness of the cost and inefficiency of high staff turnover, there was no great desire to develop staff at the low skill level jobs as an investment for the future.

Analysis and evaluation of training needs

Only one of the organisations interviewed had established a formal training audit procedure. Local managers completed a questionnaire for every member of their staff, and from this training needs were analysed.

More usually, the assessment depended on the ability of local managers to recognise where training may be of benefit to the individuals or their unit. Staff appraisals tended to be restricted to managers, supervisors and other key staff. Sometimes, where this suited the management style of the individuals concerned, formal appraisals were extended at a local level to encompass all staff.

The organisations interviewed were quite sophisticated in the extent to which they had related training activity to other business performance measures, for example, customer satisfaction and complaints analysis, staff turnover and individual performance of sales staff. Training was also evaluated in parallel to reviews of individual's progress.

Staff development

Respondents generally accepted that staff have more to offer their organisation when they were managed and motivated in the right way. Staff turnover was felt to be excessive in almost all areas. Ways of improving job content and employee loyalty was high on everybody's agenda. An element of wastage was felt to be inevitable and indeed beneficial in areas where the balance between increasing job content and individual motivation could not be sustained indefinitely. But clearly that does not justify the high wastage levels the industry currently experiences (30% for the industry as a whole, and significantly above that for unskilled staff and in some sectors).

The role of managers and supervisors in the whole staff development process was regarded as critical, and most of the organisations had put a lot of effort into improving the personal skills of unit managers. The main emphasis of training organised centrally was on this particular issue, rather than on developing technical skills. (The results of the nationwide interview indicate that the benefits of this approach have yet to be felt at the unit level.)

The main perceived requirement for technical training was in the area of food hygiene. Knowing that there would be legislation requiring hygiene training for food handlers, but not sufficient details of what would be required, created considerable uncertainty.

Training provision

Here respondents felt their organisations to be self-sufficient. Most on-the-job trainers were recruited internally. Those thought competent in what they did, with suitable personal attributes were selected for trainer training.

Generally, training specialists from head office undertook management training, such as motivational skills and interviewing skills.

Qualifications

All respondents recognised and understood the current range of qualifications. They found qualifications useful as statements of ability, particularly when recruiting skilled staff, but placed more importance on past experience and interview performance.

Although training in its own right was felt to lead to greater job satisfaction, the recognition of training and development activities with a national qualification was an important factor in improved staff motivation. Respondents saw this reward factor as the main benefit of NVQs and SVQs. They wished to encourage the development of wider skills and flexibility in their staff, without necessarily offering improved pay.

There remained much uncertainty about how NVQs and SVQs would operate in practice. Particular concerns were:

- how training programmes relating to company needs could be adapted to lead to the award of NVQs/SVQs
- how the company would relate to outside training providers in these programmes
- how the current system of qualifications would relate to NVQs/SVQs
- the role of the awarding bodies
- how the assessment procedures would actually work.

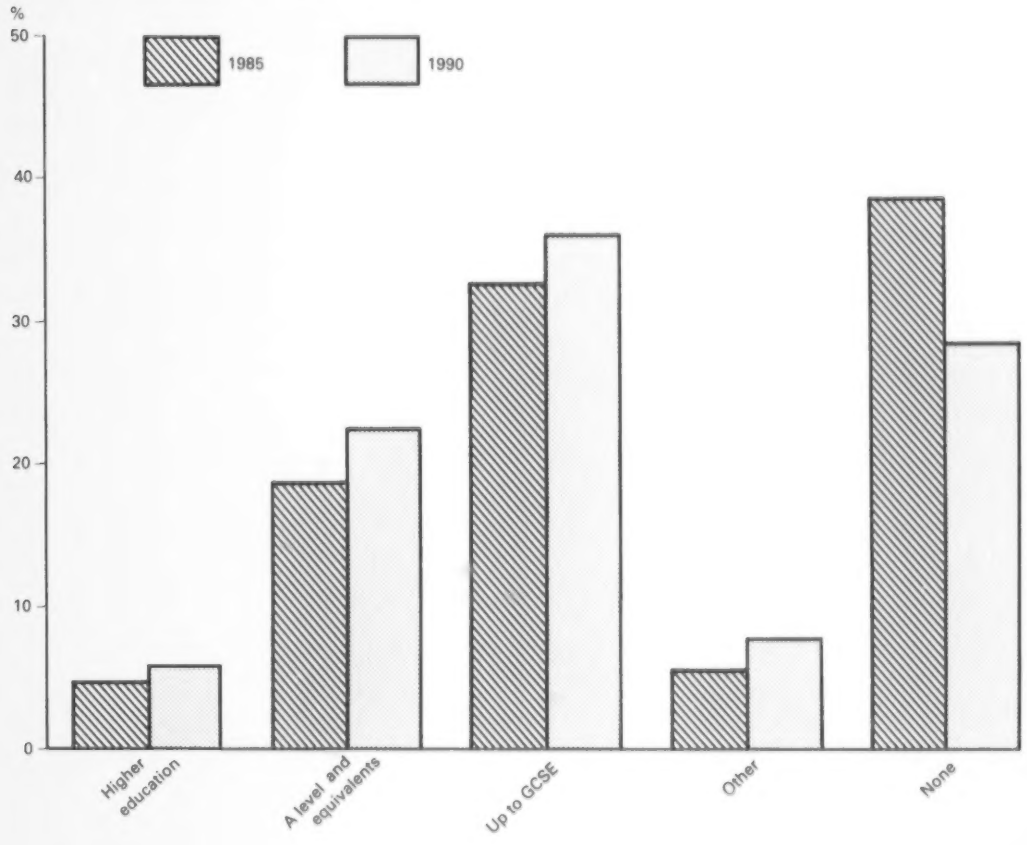
REVIEW OF QUALIFICATIONS AND TRAINING STATISTICS

General trends

Qualification levels for the industry show an improvement since 1985 (Figure 25):

- 5% have higher education qualifications: BTEC/SCOTVEC Higher National, degree or equivalent
- 21% have A level or equivalent: SCE Higher, BTEC/SCOTVEC National, BTEC First, C&G craft or equivalent
- 27% have GCSEs, GCE O level, SCE Standard/Ordinary grade or equivalent.

Figure 25
Qualifications of hotel and catering workforce 1985 and 1990

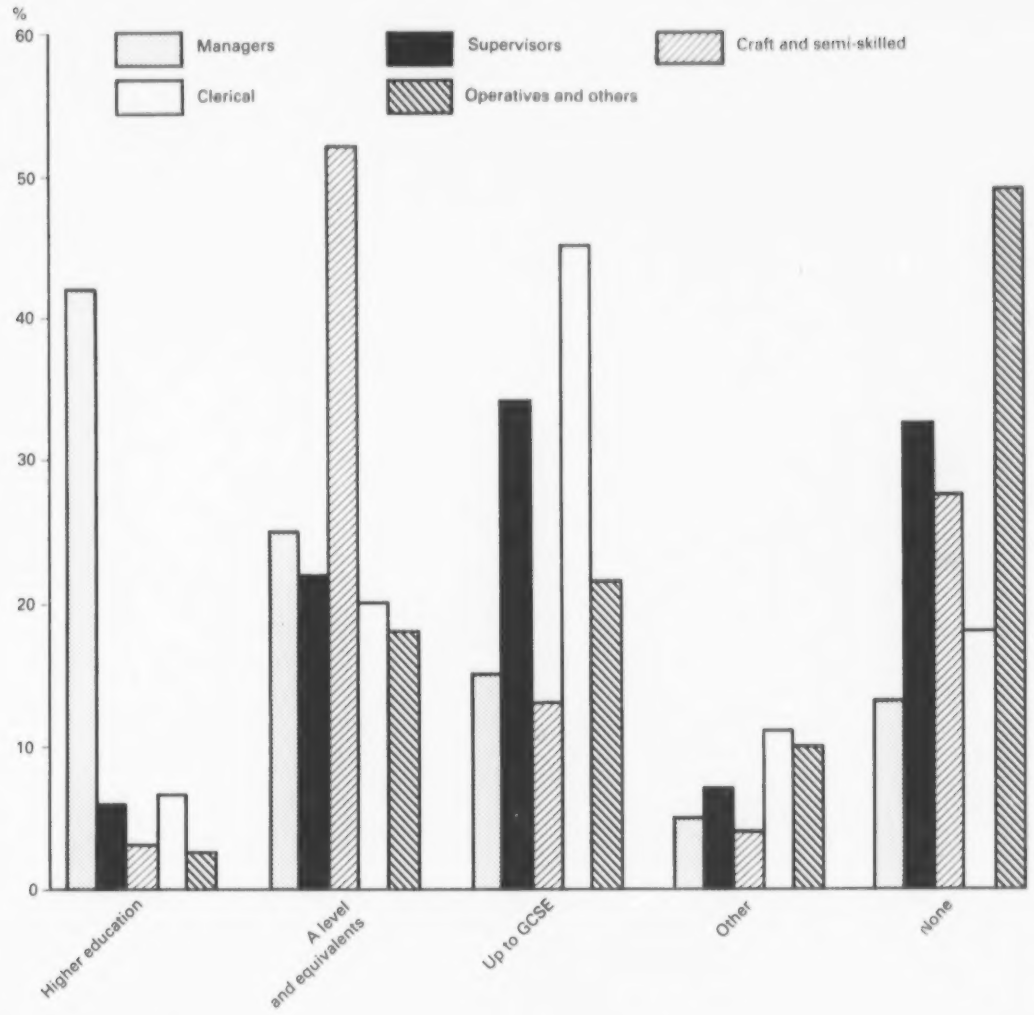


Source: Labour Force Survey

The industry still lags behind the average qualification level for the total UK workforce (Figures 26 and 27):

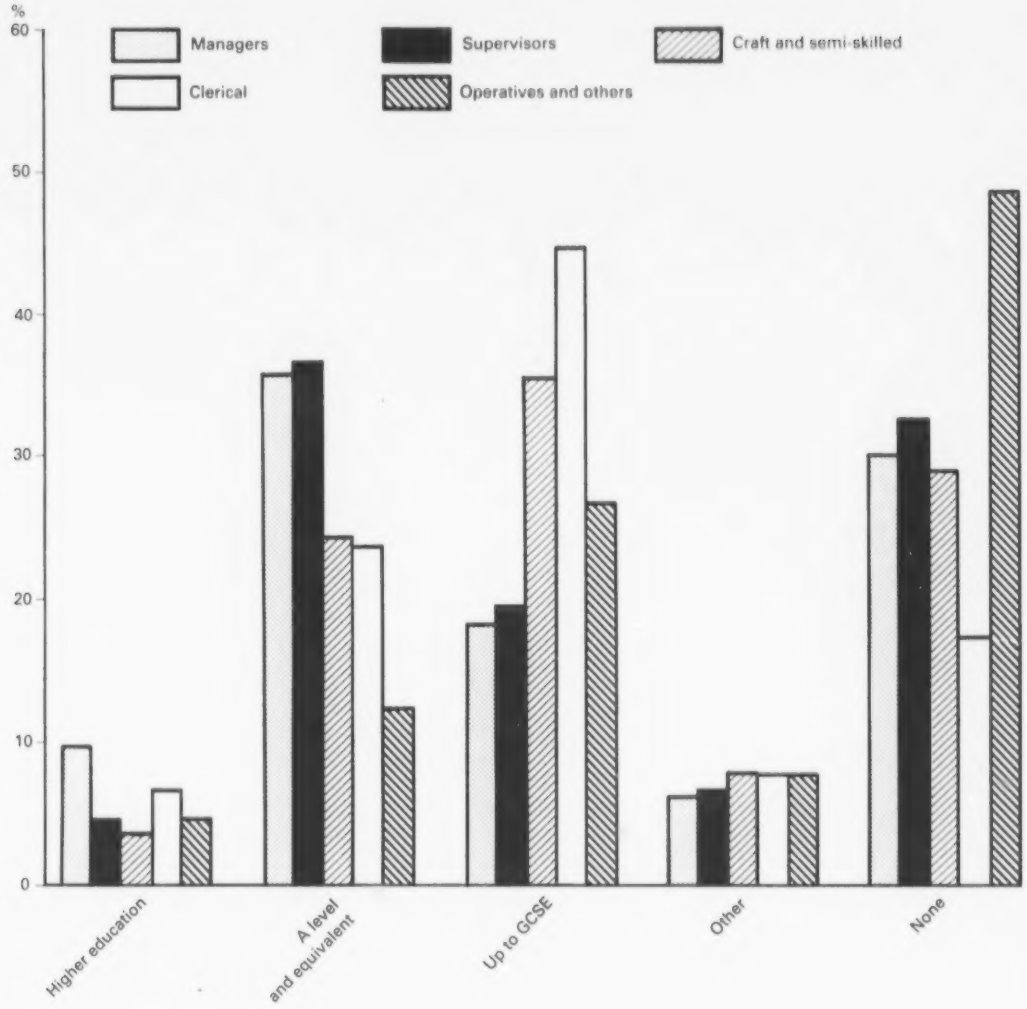
- 10% of hotel and catering managers have a Higher National, degree or equivalent, compared with 41% for all industries
- 30% of hotel and catering managers have no qualification, compared with 12%
- 37% of hotel and catering supervisors have A-level, craft or equivalent compared with 22%
- 20% of skilled hotel and catering staff hold A level, craft or equivalent, compared with 55%.

Figure 26
Qualifications of total UK workforce by job level 1989



Source: Employment Department

Figure 27
Qualifications of hotel and catering workforce by job level 1990



Source: Labour Force Survey

For hotel and catering managers and supervisors, the main increases in qualification levels in the five years since 1985 have corresponded with the level at which the bulk have qualifications (Figure 28):

- City and Guilds
- O level and GCSE.

Figure 28
Qualifications of hotel and catering workforce 1985 and 1990

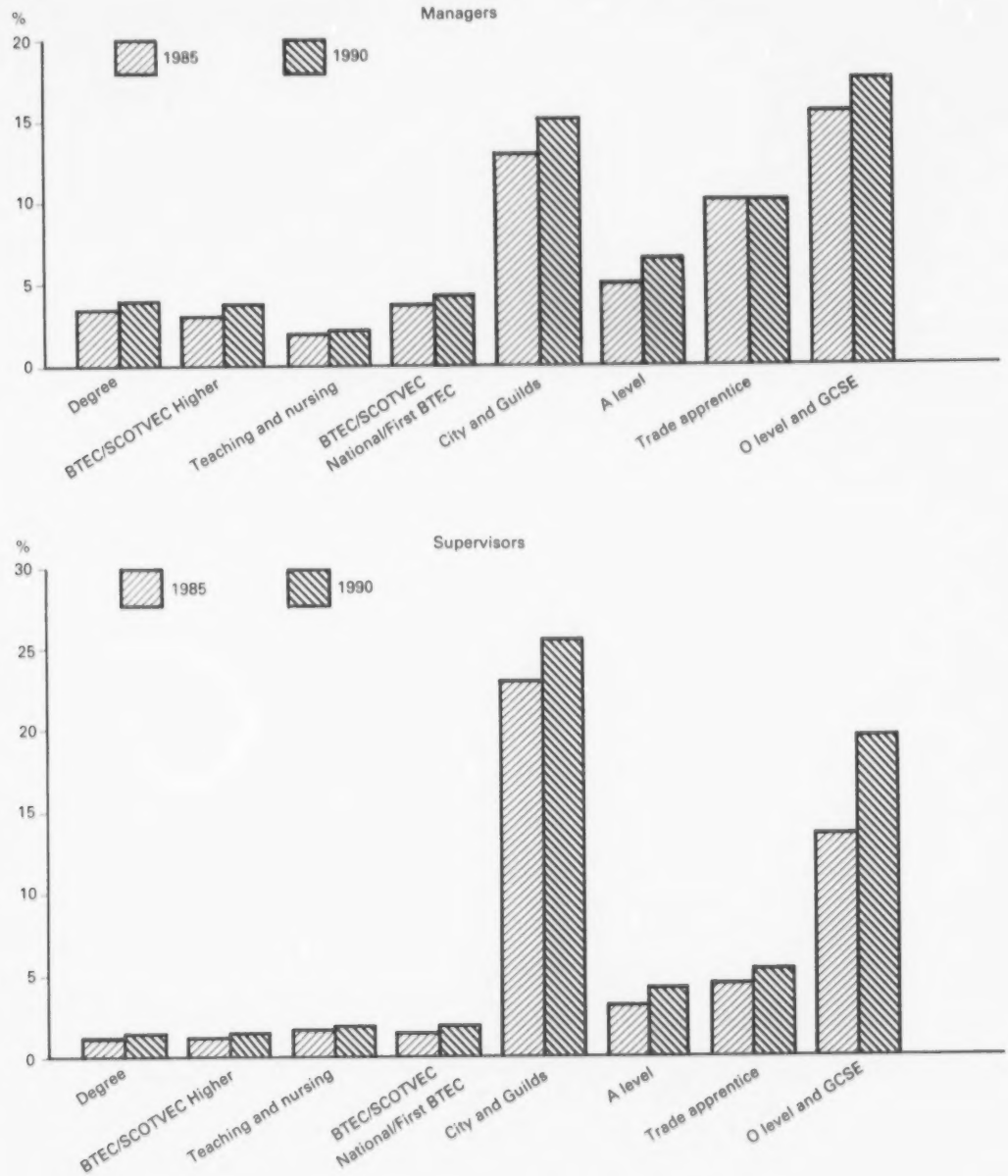
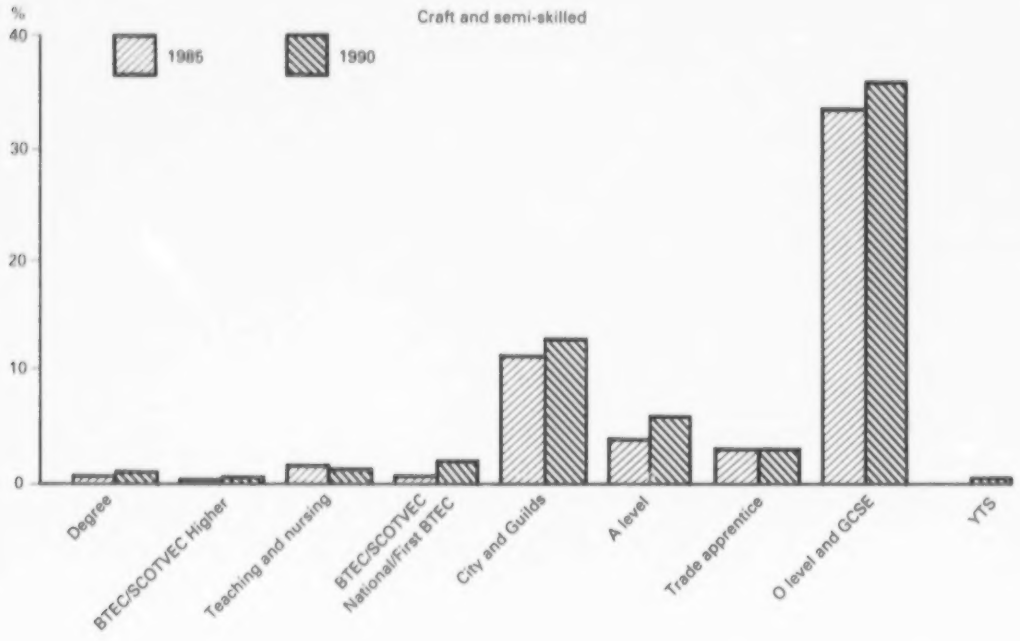
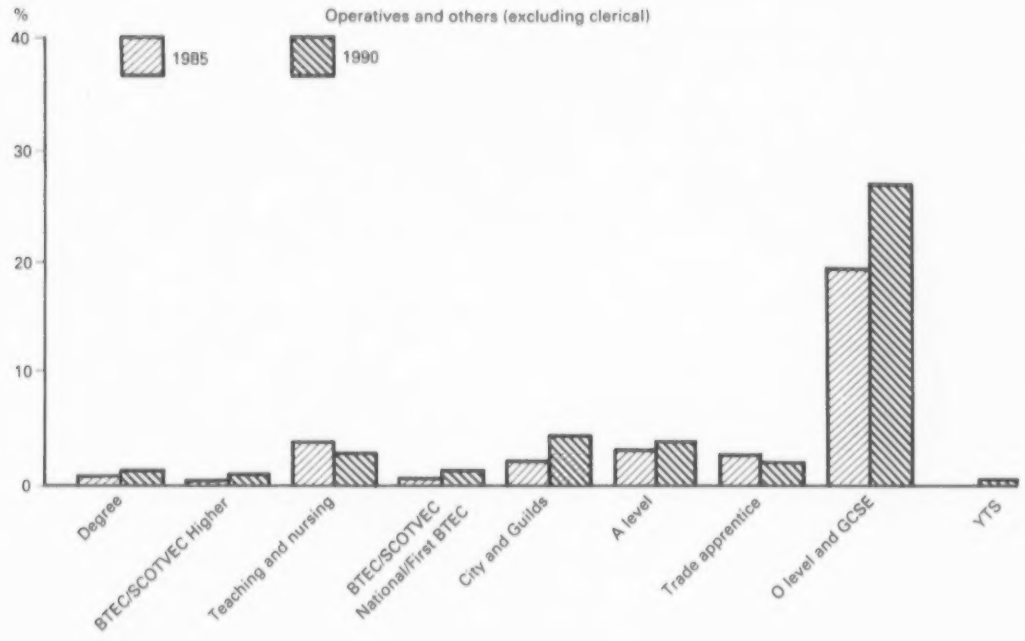


Figure 28 (continued)
Qualifications of hotel and catering workforce 1985 and 1990





Source: Labour Force Survey

Specific qualifications

Overall, between 1986/87 and 1989/90, the number of hotel and catering qualifications awarded to full and part-time students declined by 8% (Table 27). The main reason was the drop in numbers of City and Guilds awards, down from 37,797 to 28,208.

CNAA degrees have expanded rapidly, university first degrees have been fairly static. This picture reflects lack of capacity at the three universities that awarded hotel and catering degrees at the time, and the increase in polytechnic provision. By 1993 the institutions that previously offered CNAA degrees will have gained their own degree-awarding status as new universities, or offer degrees validated by a nearby university. (The CNAA's degree validating role ceases in 1993.)

HCIMA Part A/Professional Certificate awards (for supervisors) increased rapidly, whereas Part B/ Professional Diploma awards remained static, and Graduate Entry awards declined.

BTEC and SCOTVEC Higher awards also remained relatively unchanged. BII (British Institute of Innkeeping) awards increased.

BTEC National awards dropped 10%, while the SCOTVEC equivalents increased 2%.

Caterbase and conditionally accredited NVQs

Since 1985, over 40,000 passbooks had been issued for Caterbase modules, of which 22,000 were to ET and YT candidates. The number of passbooks issued accelerated over the last five years, with nearly 20,000 being issued in 1990.

In 1991 there were 500 organisations approved to run Caterbase, and approximately 600 modules per day were authorised (ie awarded) — around 150,000 for the year. Of these, around two-fifths were in food preparation, two-fifths in food service, and the remainder spread among front-of-house, bar service and accommodation. Some Caterbase candidates achieved 20 or more modules, others only one or two.

In 1990, around 2,000 conditionally accredited NVQs (consisting of Caterbase modules coupled with a City and Guilds knowledge test) were awarded in the hotel and catering industry. Although well ahead of most other industries this represents a low completion rate for the numbers starting on the scheme. Of the NVQs awarded, just over half were at level 1, and the rest at level 2. The vast majority at both levels 1 and 2 were in food preparation, and the rest mostly in food service.

About one quarter of the Caterbase modules awarded in 1990 were used as part of an NVQ attained during that year. Thus, as well as providing a significant input to the formal training of the more unskilled portion of the industry's workforce, Caterbase credits have proved a useful building block towards wider qualifications.

Behind these trends

There are a number of possible explanations for the varying trends in numbers of qualifications awarded:

- changes in popularity of particular qualifications
- changes in structure and content of college-based courses, and the qualifications they lead to
- expanding provision in leisure and tourism programmes
- demographic changes mean that the fall in numbers of school-leavers is expected to continue until 1993
- other industries have been more proactive in attracting school leavers, reducing even further the pool of potential entrants into the hotel and catering industry
- changes in balance between vocational and non-vocational, and between full and part-time
- greater responsiveness to the needs of industry
- changing career patterns of existing and potential employees
- impact of the ETAC report
- changes to funding policies at central and local levels.

The fall in numbers of City and Guilds awards appears to have been the result of lower numbers on full-time craft courses (see below). Possible explanations include:

- by offering a clearer route to supervisory and management qualifications, BTEC First awards, and SCOTVEC National modules have attracted traditional candidates for City and Guilds craft schemes
- the fall in numbers of school-leavers (expected to continue until 1993, after which the number is predicted to rise very gradually until 2010) has impacted on City and Guilds particularly
- rising aspirations amongst parents, school-teachers, careers advisers and students have led to a demand for training above basic craft level. Faced with an expanding hierarchy of academic qualifications, there is a tendency to look for entry towards the top of the hierarchy, perhaps irrespective of the inclinations, capacities, or aptitude of the individual concerned
- drop in demand from industry for high level craft skills

- when colleges are short of funds, the temptation is to develop courses which cost relatively little to operate (such as business studies, GCSE and A level): craft courses are costly in materials and capital equipment
- colleges have tended to drop craft courses, as they develop higher level programmes, which attract greater financial rewards and academic status
- government policy to expand higher education. Although the planning and funding of higher education has been quite separate from that of further education, in an environment where the total population of school leavers has been falling, the growth in higher education may also have contributed to the fall in numbers going through further education
- furthermore, as the participation rates have increased among those staying on at school after 16 and taking A levels, so there has been a tendency for such candidates to move straight into higher education, leaving out the further education stage altogether.

Table 27
Hotel and catering qualifications (number of awards to full and part-time students)

		1986/7	1989/90	Change
Universities[1]	Degrees	143	141	−1%
	Postgraduate diploma	2	20	+900%
CNAA	Degrees[2]	336	528	+57%
	Postgraduate diploma[3]	35	68	+94%
HCIMA	Part A/Professional Certificate	147	252	+71%
	Part B/Professional Diploma	160[4]	165	+3%
	Graduate entry	78	20	−74%
BII[4]		3,500	4,250	+21%
BTEC	Higher National Diploma/Certificate	1,329	1,376	+4%
	National Diploma/Certificate	3,279	2,961	−10%
	First Diploma/Certificate		2,077	
SCOTVEC[2]	Higher National Diploma/Certificate	220	224	+2%
	National/First Equivalent[5]	1,211	1,233[5]	+2%
Total non-C&G		10,440	13,315	+27%
City and Guilds[6]				
706	Cookery for Catering Industry	23,849[7]	18,158	−24%
707	Food and Beverage Service	9,914	7,419	−25%
717	Beverage Sales and Service	1,905	1,160	−39%
709/720	Hotel Reception and Front Office	808	496	−39%
491	Guest House and Small Establishment Management	483	399	−17%
708	Accommodation Service	838	576	−31%
Total C&G		37,797	28,208	−25%
C&G/HCTC	NVQs levels 1 and 2[8]		2,588	
Total		48,237	44,111	−8%

[1] Strathclyde, Surrey and Ulster.
[2] Excludes home economics, community studies, travel and tourism.
[3] Includes travel and tourism.
[4] Estimates.
[5] Some 30,000 modules completed.
[6] Includes some double-counting with NVQs.
[7] Unusually high: 20,088 in 1985/6 and 20,274 in 1987/8.
[8] Conditionally accredited.

National training statistics

The review of national training statistics confirmed the survey results that there is more on- than off-the-job training in the hotel and catering industry. In off-the-job training, the hotel and catering industry performed noticeably less well than industry in general (Table 28).

The main influences encouraging employers to put more emphasis on training (Table 29), for all industries, and for catering, recreation and personal services, were:

- health and safety, and other legislation
- a need to sharpen competitiveness

while employers in the catering, recreation and personal services sector were more influenced by the:

- effects of government-sponsored training schemes (YTS in 1989, now YT and ET)
- activities of its Industry Training Board (HCTB in 1989, now its Industry Training Organisation, HCTC)
- difficulties in recruitment.

Table 28
Training days per employee 1986/7

	% of employers which train	Training days per employee		
		Total	On-the-job	Off-the-job
All industries	48.3	7.0	3.4	3.6
Service industries (private)	49.1	6.6	3.9	2.7
Catering, recreation/personal services	45.3	6.2	3.6	2.7

Source: *Training in Britain*, MSC, 1989

Table 29
Influences encouraging employers to put more emphasis on training (% of establishments which train)

	All industries	Catering/recreation/ personal services
Competitiveness	56	53
Health and Safety and other legislation	36	34
YTS/MSC	29	37
Customers' requests	25	24
Recruitment problems	24	28
Suppliers' requests	14	14
Industrial Training Board	12	16
Other recognised training organisations	8	11
TU agreement	3	2
Other	4	5
None	14	15

Source: *Training in Britain*, MSC, 1989.

COLLEGES SURVEY

Demand and supply

There has been a marked increase in the provision of places on college programmes leading to hotel and catering qualifications (Table 30). The largest increases have been at degree level, up 118%, for BTEC First, up 175%, and HCIMA Part A/ Professional Certificate, up 54%.

For the higher level qualifications there were still many more applicants than places. For example there were three times as many applicants as there were places for BTEC Higher, and nearly seven applicants per degree place. The situation was better than in 1986, and then, as now, the figures overstate the problem. Many applicants for higher education apply to more than one establishment, not all achieve the pre-entry requirements, and some applicants are from overseas countries.

In sharp contrast, there were some 16,400 fewer applicants than there were places on courses leading to City and Guilds awards. On the evidence of the questionnaire, places on C&G schemes account for 66% of the total number of places available for all catering qualifications. The picture did, however, vary from one region to another, and demand for part-time courses was generally buoyant.

There were also fewer applicants than there were places on BTEC First programmes, and the SCOTVEC equivalent to BTEC First/National.

Behind these trends

Likely explanations for the apparent excess of applicants for higher level courses and the relatively low demand for craft courses have been mentioned earlier.

Table 30
Places available and applications made: college-based hotel and catering programmes

	Places			Applications			Number of applicants to places	
	1986	1990	1990/86 Change	1986	1990	1990/86 Change	1986	1990
BA degree	321	1,029	+221%	2,712	5,140	+90%	8.5	5.0
BSc degree	423	591	+40%	4,871	5,698	+17%	11.5	9.6
HCIMA Part B/Prof Dip	275	200	−27%	476	296	−38%	1.7	1.5
HCIMA Part A/Prof Cert	282	434	+54%	350	407	+16%	1.2	0.9
BTEC Higher	1,855	2,184	+18%	7,136	6,303	−12%	3.9	2.9
SCOTVEC Higher	291	278	−4%	1,316	679	−48%	4.5	2.4
BTEC National	4,882	5,642	+16%	6,387	8,277	30%	1.3	1.5
BTEC First	997	2,741	+175%	926	2,143	+131%	0.9	0.8
SCOTVEC First/ National equivalents	8,273	8,707	+5%	7,517	6,600	−12%	0.9	0.8
Total non-C&G	17,599	21,806	+24%	31,691	35,543	+12%	1.8	1.6
City and Guilds								
706–1 Cookery	13,275	14,657	+10%	13,889	12,144	−13%	1.0	0.8
706–2 Cookery	12,964	12,399	−4%	10,889	10,096	−7%	0.9	0.8
706–3 Cookery	3,845	4,585	+19%	2,683	3,672	+37%	0.7	0.8
707–1 Food Service	8,471	9,389	+11%	8,772	5,282	−40%	1.0	0.6
707–2 Food Service	7,574	10,118	+34%	5,612	5,957	+6%	0.7	0.6
708 Accom Service	1,459	1,426	−2%	1,197	823	−31%	0.8	0.6
709 Hotel Reception	1,189	2,381	+100%	653	2,155	+230%	0.6	0.9
717 Beverage Service	3,186	2,951	−7%	2,598	1,657	−36%	0.8	0.6
Other C&C	3,237	2,485	−23%	4,587	2,203	−52%	1.1	0.9
Total C&G	55,200	60,391	+9%	50,880	43,990	−14%	0.9	0.7
Other	5,359	9,106	+70%	5,763	10,353	+80%	1.0	1.1
Total	78,158	91,303	+17%	88,334	89,886	+2%	1.1	1.0

Note:
The numbers of places available and the numbers of applicants have been grossed up by multiplying the numbers of qualifications awarded nationally by the pass rate drawn from the survey sample.

Where they go

An analysis of those qualifying in 1989/90 suggests that some sectors of the industry have established more effective links, and are better at marketing themselves to colleges than others (Table 31):

- hotels attracted the highest proportion of those qualifying: 45% of degree and BTEC National holders, and 38% of C&G certificate holders
- restaurants attracted 14% of both categories
- industrial and contract catering attracted 19% and 10% respectively of degree and BTEC National holders
- schools attracted 7% of C&G holders.

As a comparison with Figure 1 earlier in this report shows:

- the numbers of qualified staff going into hotels and industrial catering was high relative to the proportion of the industry's workforce employed in those sectors (13% and 12% respectively)
- those going into restaurants and contract catering sectors were roughly in line with the proportion employed in those sectors (13% and 6% respectively)
- none of those with higher level qualifications went into educational catering (13% of the workforce)
- the licensed trade took a very small proportion of qualified staff (13% of the workforce).

Table 31
Class of 1989/90: where they went (% of qualifiers)

	C&G	Degrees and BTEC National
Hotels	38	45
Licensed	4	4
Restaurants	14	14
Fast food	3	5
Schools	7	0
Hospitals	4	4
Industrial	9	19
Contract	5	10
Outside industry	5	12
Other	11	36

Factors affecting catering courses

Internal factors mentioned by respondents were largely to do with integrating work experience with college-based learning. More than half the colleges highlighted the need for more entry-points through the year onto different programmes, as well as unit-based, short, and part-time courses, combined with the trend towards more assessed learning outside college, and the accreditation of prior learning.

External factors focused on demographic trends (school-leavers and working women), Europe, and the role of TECs/lecs. There was a certain amount of confusion over the new system of NVQs/SVQs, and how they would affect the various awarding bodies.

Factors affecting the number and type of students centred on the poor image of the industry, particularly pay and conditions, and perceived lack of involvement in training.

Future planning of courses

Europe and work-based learning were the factors respondents felt would most impact on the future content of courses. Other influences mentioned included trends toward pre-prepared foods, job flexibility and de-skilling, in conjunction with greater specialisation in certain craft skills.

In response to these factors, all respondents were planning to build greater flexibility into their course structure. A fairly high proportion anticipated including industrial placements and workplace assessments. A large number expected to incorporate languages, interpersonal skills, personal presentation and various aspects of customer care.

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